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Director, OPSS

UNITED STATES GENERAL ACCOUNTING OFFICE  
REGIONAL OFFICE  
ROOM 204, 161 PEACHTREE STREET, N.E.  
ATLANTA, GEORGIA 30303

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Commanding General  
Headquarters, United States Army Missile Command  
Redstone Arsenal, Alabama 35809



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Dear Sir:

We have reviewed the civilian payroll accounts processed by your installation for the period October 5, 1969, through October 3, 1970.

Our review was directed toward an evaluation of the operating procedures and internal controls applied in the payroll system. The review included detailed examinations in the areas of within-grade increases (WGI), conversion to the Coordinated Federal Wage System, and pay under the Federal Employees Salary Act of 1970. Employee accounts used in the detailed examination were selected using generally accepted sampling techniques. Also included in our review was an evaluation of the procedures and controls employed in the administration of severance payments to involuntarily separated civilian employees.

We inquired as to whether any audits had been made of civilian pay by the U. S. Army Audit Agency and the Internal and Commercial Review Division. We were advised that these organizations have not made any audits of civilian pay since our last audit.

Deficiencies noted, which were discussed with the Director, Arsenal Support Operations Directorate, and members of his staff at the conclusion of our review, are summarized below.

ERRONEOUS PAYMENTS

One employee was overpaid due to receiving a WGI one pay period early. The WGI should have been delayed one pay period because the employee had excess time in a non-pay status during the waiting period. FPM Supplement 990-2.

Two severance pay recipients were overpaid for two pay periods. One was overpaid because the re-employing agency failed to provide timely notice of reemployment as required by FPM Supplement 990-2.

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The other was overpaid because the Civilian Personnel Office failed to provide the Civilian Pay Branch with timely notice of reemployment.

Forty-nine wage board employees were not paid authorized night shift differential rates for work performed between 6 p.m. and 6 a.m. FPM Supplement 532-1, as revised.

One employee was underpaid retroactive salary adjustment increase authorized by the Federal Employees Salary Act of 1970. The underpayment occurred because the computerized master record was not promptly updated for a promotion received during the retroactive period.

Corrective action has been taken on all erroneous payments noted above.

#### UNTIMELY RECEIPT OF PERSONNEL ACTIONS

We noted numerous personnel actions which were not received in the Civilian Pay Branch from the Civilian Personnel Office in sufficient time to permit payment on the effective date of the actions, and compensating adjustment action was required.

#### WEAKNESSES IN THE MAINTENANCE OF RETIREMENT RECORDS

Numerous retirement records were incorrectly posted or not currently posted because of failure by the Civilian Pay Branch to apply proper procedures and controls.

The Civilian Pay Branch Chief has promised to audit and correct the retirement records.

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We consider the operating procedures and internal controls to be generally adequate to ensure the propriety and correctness of civilian pay. With the exception of the delayed transmittal of personnel actions by the Civilian Personnel Office, and the failure to apply proper procedures in posting retirement records, we feel that the deficiencies noted were nonrecurring type errors. We believe that the Civilian Personnel Office should strengthen procedures to ensure that personnel actions are furnished the Civilian Pay Branch in a timely manner.

We will appreciate your comments and advice as to action taken or contemplated for deficiencies not corrected at the conclusion of our review.

We wish to acknowledge the cooperation given our representatives during the audit.

Very truly yours,

R. J. MADISON

Regional Manager

cc: Chief, Internal and Commercial Review Division  
U. S. Army Missile Command  
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