



UNITED STATES GENERAL ACCOUNTING OFFICE

REGIONAL OFFICE

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

092908

IN REPLY REFER TO:

84821

JUL 10 1970

Commanding Officer
Mare Island Naval Shipyard
Vallejo, California 94592

DWG-03250



Dear Sir:

We have completed our [review of civilian compensation at Mare Island and Hunters Point Naval Shipyards. Our review, completed in May 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 propriety of salary rates of selected employees and the time and attendance procedures at the two shipyards. We noted an error in the salary rate of one employee and weaknesses in the time and attendance procedures. We have discussed our findings with shipyard officials and are listing them below for your information.

Propriety of Salary Rates

One Mare Island employee was promoted prior to meeting the time-in-grade requirements of the Act of November 1, 1951, as amended (Whitten Amendment). He was given a within-grade increase 52 weeks after his improper promotion.

Mare Island officials told us that the promotion resulted from an administrative error, but since the employee was promoted on a Sunday and received no compensation for that day and was eligible for the promotion on the next day, Monday, he was not overpaid as a result of the promotion. However, had his promotion been properly made, he would have received his within-grade one pay period later. He was overpaid \$8.80.

Mare Island officials stated that they would take the appropriate action to correct the overpayment.

Time and Attendance

The Mare Island Timekeeping Section maintains files of authorizations to certify timecards. These files were not updated in accordance

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with installation instructions. NAVSHIPYD SFRANBAY INST 7410.1B requires Department Heads to notify Timekeeping of any authorization cancellations due to an employee's separation, change in duty, transfer, etc.

We were told that the authorizations were updated by circulating them annually to the various shops. During such circulation the shop superintendents added or cancelled authorizations. Because the installation relied on this procedure the files were not maintained on a current basis. We brought this matter to the attention of officials who told us that the file of authorizations would be maintained in accordance with shipyard instructions.

Our review of the time and attendance procedures at Mare Island included observations of clocking procedures at 10 stations and floor checks during normal working hours. We noted the following:

1. Supervisors were certifying timecards without having actual knowledge of the employee's presence or absence. At three of the 10 locations, the supervisors worked a different shift than their employees. At another location, the employees worked in a different building than their supervisor and had only limited contact during the day.
2. Employees did not comply with clocking procedures. At two locations, employees were loitering at the time clocks prior to the end of their shifts. At one location, an employee clocked out two timecards. At a third location, a group of employees clustered around a timeclock and one of them apparently moved the clock ahead.

Reviews by other agencies

In their audit report, the Naval Area Audit Service (NAAS) identified eight employees who were paid, contrary to the provisions of FPM 550. 1-2d, in excess of the maximum rate of pay of a GS-15. Following the NAAS recommendation, Mare Island implemented controls which should prevent such overpayments. However, no action was taken to recover the overpayments. We discussed the matter with Mare Island officials who stated that they would take the necessary action to effect recovery.

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Our review at Hunters Point disclosed the following deficiencies in the time and attendance procedures. We are submitting them for your information because Mare Island processes and certifies the payroll for Hunters Point.

1. The files of authorizations to certify timecards were not maintained on a current basis.
2. At three locations supervisors did not have knowledge of their employees presence or absence.
3. At two locations employees were loitering around the time clock prior to the end of the shift.
4. At one location, on each of five days, at least one employee clocked out more than one timecard.
5. One employee punched a card although his timecard was racked at another station.
6. One employee clocked out about 10 timecards.
7. One employee left the clocking area in his car 10 minutes before the end of his shift. His card was punched out at the proper time at another clocking station.

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We would appreciate your comments on the above matters and information as to the action you plan to take. A copy of this letter is being sent to the Director, Naval Area Audit Service, San Francisco, California and the Commander, Navy Accounting and Finance Center, Washington, D.C.

Very truly yours,



A. M. Clavelli
Regional Manager

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