



UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE

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

89299
GA000365

IN REPLY REFER TO:

23000

July 31, 1970

Company Officer
Naval Communications Station,
San Francisco
Rough and Ready Island
Stockton, California 95213



LM089299

DLG 03728

Dear Sir:

On May 4, 9, and 8, we visited your activity for the purpose of obtaining information on the procedures used to control and communicate accounting data to MSC, Oakland, the Authorized Accounting Activity.

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During our visit we listed a number of transactions shown on your records as in-transit items, i.e., transactions which had been sent to the Authorized Accounting Activity to be entered into your accounts and reports but which had not appeared on a transaction ledger.

In tracing these transactions at MSC, Oakland, we found that most of the items had previously appeared on transaction ledgers. A few could not be located without additional information from your activity. Their appearance on a transaction ledger indicates that these transactions should not have been carried as in-transit items in your files.

Under the Authorized Accounting Activity concept it is imperative that all accounting transactions for any one month are recorded in that month's business if the reports are to show the true financial condition at month end. The accounts for your activity are held open for up to five calendar days after the end of the month to allow time for all transactions for the month to arrive at the Authorized Accounting Activity and to be included in the last transaction ledger for the month. Any in-transit items in your files after checking the last transaction ledger for the month means that either the transaction was not picked up on the transaction ledgers for the month or it was not properly cleared when the transaction ledger was received from the Authorized Accounting Activity.

Although present procedures suggest that cutoff dates be established in order to ascertain whether documents have been included

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Commanding Officer
Bangor and Lady Island

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In the reports issued by the Authorized Accounting Activity, there is no suggested procedure for clearing in-transit items. We plan to call this matter to the attention of Navy Comptroller Officials and to suggest that the Navy's accounting system for operations include a requirement that any in-transit items remaining after the last transaction ledger for the month has been received be referred at once to the Authorized Accounting Activity for an explanation as to why they were not included in the transaction ledger. We suggest that such a procedure be adopted by your activity now to ensure that all accounting transactions are included in the accounts and reports for the current month.

Copies of this letter are being furnished to the Commanding Officer, Naval Supply Center, Oakland, the Chief of Naval Operations, the Assistant Secretary of Navy (Financial Management), and the Assistant Secretary of Defense (Comptroller).

If you have any questions please feel free to contact this Office.

Very truly yours,

A. M. CLAVELLI

A. M. Clavelli
Regional Manager