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OPSS

JAN 14 1971

REC-00738

Commander  
Sheppard Air Force Base  
Wichita Falls, Texas 76311

[Concerning

Dear Sir:

We have completed our review of civilian pay activities at Sheppard Air Force Base (AFB), Texas, for the period October 1, 1969, through October 31, 1970. The review was made pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 48), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67).

The review is a part of an overall review of civilian pay activities at Department of Defense Installations. Selection of your installation for review was made by using statistical sampling techniques. Our review was concerned primarily with testing the adequacy and effectiveness of the civilian pay system, operating procedures and practices, as well as day-to-day internal controls.

Our review included an evaluation of the internal audit of civilian pay activities completed at Sheppard AFB, Texas, in February 1970 by the Resident Auditor, United States Air Force Auditor General. We found that the audit work was generally adequate as to procedures used and coverage provided in the areas examined. Our review of specific transactions was limited to a random selection of 50 employee accounts containing permanent pay rate changes during the period covered by our review.

Our review disclosed that the civilian pay system, operating procedures and practices, as well as internal controls, were generally adequate. However, we noted that two employees in the sample had been overpaid \$5.40, and another employee not in the sample had been overpaid \$100.00. One of the employees in the sample was granted a within-grade increase prior to the completion of the required waiting period and had been overpaid \$5.60. The other employee in the sample was overpaid \$ .80 when the retroactive increase payments were computed. The employee not in the sample was overpaid \$100.00 when he received nine basic biweekly severance payments in the amount of \$319.70 instead of \$299.80, the same amount as those received at time of involuntary separation. Corrective action was taken on these overpayments during our review.

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An additional copy of this report is furnished for enclosure with the audited records when shipped to the Federal Records Center. For future guidance concerning the disposition of unaudited civilian pay records which have been retained for three years, we refer you to Chapter 3, Title 3, General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies.

We wish to acknowledge the cooperation and courtesies extended to our representatives during the audit.

Sincerely yours,

Deon H. Dekker

W. H. Sheley, Jr.  
Regional Manager

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JAN 14 1971

Commander  
United States Air Force Auditor General  
Norton Air Force Base, California 92409

Dear Sir:

Enclosed for your information is a copy of our letter report to the Commander, Sheppard Air Force Base, Texas, covering our recent civilian pay audit at that installation.

The Resident Auditor at Sheppard Air Force Base, Texas, completed an audit of civilian pay activities in February 1970, (Report of Audit 2987-34, dated February 26, 1970).

We reviewed the report of audit and the supporting workpapers and found that the audit program, scope, extent of coverage, and methods used to test transactions were generally adequate.

We wish to acknowledge the cooperation and courtesies extended to our representatives by the Resident Auditor.

Sincerely yours,

Deon H. Dekker

W. H. Sheley, Jr.  
Regional Manager

*Deon Dekker*  
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