



UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
2006 WASHINGTON BOULEVARD BUILDING
234 STATE STREET
DETROIT, MICHIGAN 48226

093178



FEB 5 1971

Commanding Officer
Naval Station
Long Beach, California 90801

Dear Sir:

In keeping with our responsibility to test the effectiveness of Federal agencies' financial management systems, our staff at the Navy Finance Center, Cleveland, is making spot checks of Navy imprest fund activities. From February 26 to September 23, 1970, the cashier, Mine Force Pacific Support Group, made 304 purchases totaling \$10,043. In our review of replenishment vouchers and supporting documents at the Center, we observed one duplicate reimbursement and several procedural-type deficiencies which we believe warrant your attention.

Two copies of a vendor's invoice for a \$32 purchase were used to support two imprest fund replenishment vouchers -- the "customer" copy supported the first voucher and the "service" copy supported the other. The vouchers (C3982 and C4364) were paid by the station disbursing officer in May and June. The two copies appear identical except for the endorsements on the reverse side. The "Received and Accepted" endorsements, signed by the same enlisted man, show May 12 on the customer copy and June 3 on the service copy. Also, the cash receipt endorsements show payment was received by one company employee on May 12 and by another employee on June 3. The June 3 date appears to be an alteration. Because of the conflicting information, we cannot determine what actually happened. Whatever the circumstances, the cashier was reimbursed twice for the same purchase. Recovery should be made and noted in the disbursing officer's account. Copies of the subvouchers are enclosed.

In several instances orders for identical or similar supplies were issued to the same supplier on succeeding days, possibly to avoid the dollar limitations prescribed by regulations -- \$100 for routine purchases and \$250 for emergency purchases. Examples are:

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Commanding Officer

- A vise and an accessory for the same type of vise were bought at a total cost of \$165 in two separate purchases from the same supplier on March 4 and 5.
- On four consecutive days, lumber and nails were bought from a supplier at a total cost of \$309.32. The individual purchases cost \$100 on March 24, \$39.68 on March 25, \$76.90 on March 26, and \$92.74 on March 27.

We also noted that a few invoices did not contain the supplier's name and address as required by paragraph 3-607.4, Armed Services Procurement Regulation. Copies of the subvouchers are enclosed. Further, cash discounts were not obtained on 21 "will call" purchases from a lumber company and a welding industrial equipment supplier. The vendors' invoices contain discount terms, 2 percent - 10 days, and payments generally were made on the date of purchase.

We would appreciate an explanation of the circumstances under which the duplicate reimbursement occurred and advice of action taken. We would also like your comments on the actions taken to correct the other problems discussed above.

Copies of this letter are being sent to the Comptroller of the Navy; the Commanding Officer, Navy Finance Center; the Commanding Officer, Navy Regional Finance Center, San Diego; and the Director, Naval Area Audit Service, San Diego.

Sincerely yours,

C. H. Moore
Regional Manager

Enclosures
Cys of subvouchers (4)