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Director OPS-

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

MAR 12 1971

FOD-JJF

U. S. Air Force Auditor General  
Eastern Audit Division  
Norton Air Force Base, California 92409

Dear Sir:

Enclosed is a copy of our letter report to the Commander, 3800th Air Base Wing, Maxwell Air Force Base, Alabama, on the results of our audit of civilian payroll accounts for the period January 4, 1970, through January 2, 1971.

We reviewed the Resident Auditor's working papers, audit program, and reports of audit for three audits covering selected segments of payroll processing, pay entitlements, and time and attendance reporting. Additionally, we reviewed working papers for a fourth audit which covered check distribution procedures.

We consider the audit work performed to be generally adequate in the areas covered.

Any comments on our report you wish to offer will be appreciated.

Very truly yours,

R. J. MADISON

Regional Manager

Enclosure  
Copy of letter report

cc: U.S. Air Force Resident Auditor  
Building 745  
Maxwell Air Force Base, Alabama 36112

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*Director OGS*  
MAR 12 1971

FOD-JJF

Colonel Charles G. Weber  
Commander  
3800th Air Base Wing  
Maxwell Air Force Base, Alabama 36112

Dear Colonel Weber:

We have reviewed the payroll accounts processed by your installation for the period January 4, 1970, through January 2, 1971.

Our review was directed toward an evaluation of the operating procedures and internal controls applied in the overall payroll operation. Included in the review were discussions with personnel in the Civilian Payroll Section and the Civilian Personnel Branch regarding the procedures and controls applied in the payroll operation. To test the procedures and controls, a statistical sample of employee accounts was selected for detailed examination. The detailed examination was concentrated in the areas of within-grade increases (WGI's), Coordinated Federal Wage System (CFWS), and pay under the Federal Employees Salary Act of 1970. Also, included in our review was an evaluation of the procedures and controls applied in the administration of severance payments to involuntarily separated employees.

Additionally, our review included an examination of the work performed by the Resident Auditor in the civilian pay area.

Deficiencies, which were discussed with you and members of your staff at the conclusion of our review, are summarized below.

WEAKNESS IN CIVILIAN PAY PROCEDURE

One employee was overpaid due to receiving a WGI prior to serving the required period of creditable service at the next lower step of his grade. The employee's WGI was delayed one pay period to allow 61 hours of excess noncreditable service to be made up with creditable service. However, during the extended period the employee only made up 57 of the 61 hours. The employee's failure to serve the entire 61 hours was not detected because procedures had not been established to verify that employees

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actually make up the noncreditable service during extended portions of waiting periods for WGI's. The overpayment was recovered prior to completion of our review.

Recommendation

Civilian pay officials should establish procedures for ascertaining that excess periods of noncreditable service are made up with creditable service during the extended portions of waiting periods for WGI's.

INFORMAL INQUIRY ISSUED

Twenty-eight employees were overpaid because their saved salary rates were erroneously increased upon conversion to the CFWS. These overpayments resulted from misapplication of the minimum increase provisions of CFWS regulations (Federal Personnel Manual Supplement 532-1). Responsible base officials were aware of the overpayments to these 28 employees since May 1969.

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With the exception of the failure to ascertain that employees actually make up noncreditable service during extended portions of waiting periods for WGI's and to take corrective action on the erroneous conversions to the CFWS, we consider the operating procedures and internal controls applied in the payroll operation to be generally adequate to ensure the propriety and correctness of civilian pay.

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 review.

Very truly yours,

~~FR. J. MADISON~~

Regional Manager

cc Commander  
Air Force Accounting and Finance Center  
Denver, Colorado 80205

U.S. Air Force Auditor General  
Eastern Audit Division  
Norton Air Force Base, California 92409

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