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U. S. GENERAL ACCOUNTING OFFICE
2006 WASHINGTON BLVD. BLDG.
234 STATE STREET
DETROIT, MICHIGAN 48226

MAR 8 1971

Officer in Charge
Commander, U.S. Naval Forces Philippines Detachment
Sydney, Australia

Dear Sir:

In keeping with our role of overseeing Federal agency financial management systems, our staff at the Navy Finance Center, Cleveland, has reviewed your station's disbursing activities. We examined the 49 travel vouchers, 30 military pay records, and supporting data submitted by your disbursing officer for the period July through December 1969. At the finance centers of each of the services we also determined if casual and emergency rest and rehabilitation payments were charged to payees' accounts.

The number, variety, and repetitive nature of the errors we found--181 erroneous payments totaling \$8,040 and two errors in reporting leave--show serious weaknesses in your disbursing activities. The errors are summarized in the appendix. The most significant deficiencies were failing to assure that casual or emergency payments were charged to payee accounts and making foreign duty payments when Sydney was not a designated area. These and some of the other problem areas are discussed below.

- Ninety-nine (\$4,165) of the 381 casual or emergency payments were not charged to the pay accounts of 81 Army, 15 Marine Corps, and two Navy personnel. When the payrolls were prepared your staff either failed to send pay adjustment authorizations to the payees' duty stations or they neglected to follow-up when completed pay adjustment authorizations were not returned by the stations.
- Foreign duty pay has been credited to personnel at Sydney since January 1968 although Sydney has not been designated a foreign duty pay area. During the 6-month period in our review, the 22 enlisted personnel at Sydney received \$2,363 in foreign duty pay.

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- Four enlisted men received temporary lodging allowances but were not paid subsistence allowances for the same period. Enlisted personnel are authorized to receive both allowances-- paragraphs M4300-4 and M4303-3a of the JTR (effective June 1, 1969).
- An enlisted man traveled at Government expense from Sydney to Chicago, Illinois, and return, to appear as a witness in a civil court case. Transportation, per diem and related expenses were at least \$800. Travel payments on other than official business are unauthorized--paragraph M6300-3 of the JTR.
- Military personnel returning to Sydney were paid \$8 per diem, reduced by 50 percent for quarters on the day of return. Paragraphs M4253-1 and M4254-1 of the JTR provide that the \$8 rate is not subject to such a reduction (for examples, see vouchers 17 and 618).
- Per diem payments to enlisted men for days of departure and return to overseas duty stations were not reduced for Government meals as required by paragraph M4254-2 of the JTR. Government meals include those furnished in a Government mess and those for which an enlisted man is credited a subsistence allowance (for examples, see vouchers 362 and 367).

Our review was limited to an examination of financial and related records available at the finance centers. Although we did not visit your station, it is evident from the many errors that there is a lack of internal controls and your staff misunderstands pay and travel regulations. We therefore recommend you use this report as a basis for inquiring into the causes of the errors. As part of your inquiry, we suggest you examine retained and suspense files of emergency pay adjustment authorizations to see where the breakdown occurred. We would appreciate your advising us on the causes of the errors and the measures taken to prevent recurrence.

To assist in any action you may take, we are enclosing copies of notices of exception, informal inquiries, and adjustments issued by the Marine Corps Finance Center (as a result of our review). We will be glad to provide additional details if you desire.

We are sending copies of this letter to the Comptroller of the Navy; the Director, Navy Military Pay System; the Commander, Naval Forces Philippines; the Commanding Officer, Pearl Harbor Navy Regional Finance Center, and the Director, Naval Area Audit Service, San Diego.

Sincerely yours,

~~C. H. Moore~~

C. H. Moore
Regional Manager

Enclosures--2

Appendix

Copies of notices of exception,
informal inquiries, and adjustments
issued by Marine Corps

BEST DOCUMENT AVAILABLE - 3 -

SUMMARY OF ERRORSMILITARY PAY RECORDS

<u>Type of error</u>	<u>Number</u>	<u>Overpayment</u>	<u>Underpayment</u>
Unauthorized foreign duty pay - Sydney not a designated area	22	\$2,362.91	
Basic allowance for subsistence not credited during period of temporary lodging allowance entitlement	4		\$208.17
Payroll entry not posted	99	4,165.00	
Payroll entry posted incorrectly	2		71.00
Basic allowance for subsistence not stopped during absence	1	4.57	
Leave not charged	1	(8 days)	
Leave charged incorrectly	1	(2 days)	
Subtotal	<u>130</u>	<u>\$6,532.48</u>	<u>\$279.17</u>

MILITARY TRAVEL - PERMANENT CHANGE OF STATIONPer diem

Wrong rate	2	\$ 5.80	\$ 5.34
Not paid for overseas travel	1		14.28
Early reporting - unallowable	1	9.30	
In mileage status - unallowable	1	6.74	
Meals on Government plane not deducted	1	3.38	

Transportation

Value of ticket procured on transportation request - auto used	1	100.00	
Per diem and miscellaneous expenses incorrectly paid in lieu of mileage	1		1.82
Mixed modes of travel incorrectly computed	1	1.70	
Incorrect distance	1	1.38	
Subtotal	<u>10</u>	<u>\$ 128.30</u>	<u>\$ 21.44</u>

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MILITARY TRAVEL - TEMPORARY ADDITIONAL DUTY

<u>Type of error</u>	<u>Number</u>	<u>Overpayment</u>	<u>Underpayment</u>
<u>Per diem</u>			
Quarters deducted on day of return to permanent station	20		\$ 80.00
Meals not deducted (days of departure and return to permanent station)	3	\$ 15.82	
Wrong rate	2		67.65
In leave status	1	21.00	
<u>Meals</u>			
Reimbursed incorrect number	1	2.94	
<u>Per diem and transportation</u>			
Unauthorized travel	<u>1</u>	<u>801.00</u>	
Subtotal	<u>28</u>	<u>\$ 846.76</u>	<u>\$147.65</u>

MILITARY TRAVEL - SEPARATION FROM SERVICE

Incorrect entitlement points	<u>1</u>		\$ 14.46
Subtotal	<u>1</u>		<u>\$ 14.46</u>

CIVILIAN TRAVEL

<u>Per diem</u>			
Wrong rate	4	\$ 25.25	
Deduction not made for free use of Government quarters	4	4.00	
Quarters deducted on day of arrival at temporary duty station	3		\$ 19.80
Prorated incorrectly	2	21.00	
Unauthorized after arrival at terminal	<u>1</u>	<u>5.25</u>	
Subtotal	<u>14</u>	<u>\$ 55.50</u>	<u>\$ 19.80</u>
GRAND TOTAL	<u>183</u>	<u>\$7,557.04</u>	<u>\$482.52</u>

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