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Publications Branch

UNITED STATES GENERAL ACCOUNTING OFFICE

REGIONAL OFFICE

ROOM 1800 FEDERAL OFFICE BUILDING

911 WALNUT STREET

KANSAS CITY, MISSOURI 64106

August 13, 1971

Lieutenant Colonel John A. Rapp
Commanding Officer
U. S. Marine Corps Finance Center
Kansas City, Missouri 64197

Dear Colonel Rapp:

We have made a review to evaluate the effectiveness of the general audit branch's examination of travel vouchers. We believe the branch could be more effective by revising its audit approach to place more emphasis on vouchers submitted by activities experiencing high error rates.

The branch has audited all of the vouchers submitted during one month by selected activities and attempted to cover each activity once a year. For the six months, March through August 1970, 36 activities submitted about 265,000 vouchers. The branch audited a total of 20,575 vouchers from 18 of the activities and found an overall error rate of 7.1 percent. But the error rates by activity ranged from less than 5 percent for 12 activities to 17.3 percent or more for two activities. Since only one month's vouchers were examined it seemed likely that many errors were not detected, particularly at those activities experiencing high error rates.

A random sample that we selected from the 265,000 vouchers after the audit branch completed its work contained an error rate of 12.9¹ percent. The errors are tabulated in the attachment. Our sample contained a proportionate number of vouchers that had been examined by the audit branch, but we found no errors in these vouchers.

We believe, therefore, that the relatively high number of undetected errors resulted mostly from the branch's method of selecting vouchers rather than from the quality of its audit of individual vouchers. If the branch could be more selective in its audit of activities making relatively few errors, more intensive audits could be made of those activities where the error rates are higher. This should, in our opinion, significantly increase the effectiveness of its audit work.

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¹Since the sample was selected at random, the precision of estimates from it can be calculated. We are 95 percent confident that the overall error rate is from 7.7 percent to 18.1 percent and the dollar amount of the errors is from \$321,000 to \$1.5 million.

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The Head, Examination Division, of which the general audit branch is a part, agreed with these conclusions and said some type of sampling technique would be adopted.

We would appreciate your comments.

We appreciate the cooperation received by our staff during the review.

Copies of this report are being sent to the Commandant of the Marine Corps, the Comptroller of the Navy and the Director, Navy Audit Service.

Sincerely yours,

Signed

K. L. Weary
Regional Manager

Encl.

NOT AVAILABLE

<u>Type of error</u>	<u>Number</u>	<u>Percent of error</u>	<u>Amount</u>
Commutated rations vs. per diem	3	15	\$ 54.63
Incorrect computation of travel time	8	40	196.18 ^{1/}
Failure to credit leave rations for period of delay enroute	2	10	172.89 ^{1/}
Incorrect computation of distance for mileage	3	15	60.86
Group travel vs. per diem	1	5	8.00
Field duty vs. per diem	1	5	24.00
Erroneous computation of per diem	1	5	6.46
Unauthorized reimbursement of charges for quarters	1	5	19.50
Totals	<u>20</u>	<u>100</u>	<u>\$542.52</u>

^{1/} Potential error in unused leave settlement based on rates of pay currently applicable to the member's grade and years of service.

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