



UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE

225 WASHINGTON BOULEVARD BUILDING
224 STATE STREET
DETROIT, MICHIGAN 48226

251 2

Commanding Officer
U.S.S. CASCADE (AD-16)
FPO New York



LM092374

Dear Sir:

We have examined selected financial transactions in the accounts of the U.S.S. CASCADE for the 6 months ended June 30, 1971. This work, a part of our continuing review of the Navy's financial management system, was done by our staff at the Navy Finance Center, Cleveland.

We examined 308 of 853 military pay records, 224 of 450 military travel vouchers, and 30 of 61 miscellaneous pay and allowance vouchers. We found 192 monetary errors, six leave accounting errors, and one error in reporting taxable income. Eight percent of the pay records, 44 percent of the travel vouchers and 33 percent of the miscellaneous vouchers contained one or more errors. These tests indicate that the unexamined records in the accounts contain an additional 221 errors (207 monetary, 12 leave accounting and two tax reporting). Our findings are summarized in the appendix.

Disbursing personnel apparently had considerable difficulty determining per diem entitlements. We found 147 travel voucher errors-- over 100 involved per diem. These include the following:

--Fifty-nine errors were the result of (1) improper deductions for meals on common carriers, (2) failures to deduct for meals available on military aircraft, and (3) failures to deduct for meals and quarters on the day of return to the duty station. See paragraphs M1150-4, M4205-5, footnote "v" and M4254, JTR. For examples, see vouchers 3897, 4072, 3631 and 3846.

--Incorrect per diem rates were used in 14 instances. In most of these cases a local foreign rate was used instead of the \$8 rate, or vice versa, contrary to paragraph M4253, JTR. See vouchers 4135 and 4144 for examples.

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Commanding Officer
U.S.S. CASCADE (AD-16)

--In twelve instances, per diem was not paid for the day of arrival at or return to the permanent duty station and for delays en route between stations, as authorized by paragraphs M4205-5b, c and d, JTR. See vouchers 3704, 3878 and 3689 for examples.

--In ten instances payments were not limited to the cost of constructive travel as required by paragraph M4204-3, JTR. For examples, see vouchers 3801 and 3803.

Since our review was limited to vouchers and supporting documents included in the financial returns, we could not determine the causes of the errors or the responsible activity--disbursing or personnel office. However, our findings indicate a particular need for improved proficiency in the military travel area and, generally, more knowledge of pay, allowances, and leave regulations. Also, supervisory review procedures need strengthening. We believe an adequate prepayment review would have prevented many of the errors.

We recommend you use this report as a basis for inquiring into these matters. We are enclosing information copies of our notices of exception and informal inquiries to assist you. If you need additional information, please let us know. We would appreciate your comments on the causes of these errors and advice of action taken.

We are sending copies of this letter to the Comptroller of the Navy; Commander, Cruiser Destroyer Force, Atlantic Fleet; Director, Navy Military Pay System; Commanding Officer, Navy Regional Finance Center, Norfolk; and the Director, Boston Naval Area Audit Service.

Sincerely yours,

H. MOORE

C. H. Moore
Regional Manager

Enclosures--2
Appendix
Copies of notices of exception (4)
and informal inquiries (15)

U. S. GENERAL ACCOUNTING OFFICE
DETROIT REGIONAL OFFICE

APPENDIX

SUMMARY OF ERRORS

U.S.S. CASCADE (AD-16)
JANUARY 1 THROUGH JUNE 30, 1971

<u>TYPE OF ERROR</u>	<u>NUMBER</u>	<u>OVERPAYMENT</u>	<u>UNDERPAYMENT</u>
<u>MILITARY TRAVEL VOUCHERS</u>			
<u>- Per diem</u>			
Meals and quarters - deductions	59	\$ 98.16	\$ 191.61
Wrong rate	14	102.84	105.27 ^a
Not paid while en route	12		116.14
Exceeded constructive travel	10	37.85	
Computation:	5	10.00	9.50
Reported early at interim station - no entitlement	2	46.00	
Scheduled training course over 20 weeks - no entitlement	1	306.00 ^b	
Other	7	21.13	6.55
<u>Dependents' travel allowances</u>			
Incorrect distance	3	31.56	5.04
Taxi fares not reimbursable when paid mileage	2	23.52	
Travel was not for purpose of establishing a residence - no entitlement	2	156.54 ^b	
Unauthorized for child under 5 years of age	1	6.48	
Erroneous terminal points	1		3.96
<u>Mileage</u>			
Computation	8	16.49	12.54
Incorrect distance - common carrier distance instead of highway or vice versa	5	14.46 ^c	8.28
Unauthorized terminal points	4	146.34	
Wrong port - mileage on separation	1	8.10	
<u>Other</u>			
Wrong rates/distances - mixed travel	9	115.11	22.34
No receipts for reimbursable expenses	<u>1</u>	<u>186.45</u>	<u> </u>
Subtotal	<u>147</u>	<u>\$1,327.03</u>	<u>\$ 481.23</u>

<u>TYPE OF ERROR</u>	<u>NUMBER</u>	<u>OVERPAYMENT</u>	<u>UNDERPAYMENT</u>
<u>MISCELLANEOUS VOUCHERS</u>			
<u>Training duty</u>			
Paid mileage at 5 cents and per diem instead of mileage at 6 cents	4	\$ 4.56	\$ 17.20
Paid for 14 days instead of 15	1		15.06
Paid per diem - meal tickets issued	1	11.80	
Highway distances used instead of common carrier	1		10.00
Mileage - wrong distance	1	1.10	
<u>Rations commuted to private mess</u>			
Included periods of leave, TAD, and hospitalization	6	56.11	
Incorrect number of days	3	4.43	1.52
<u>Shore patrol</u>			
Paid for 111 days instead of 109	1	10.00	
Subtotal	18	\$ 88.00	\$ 43.78
<u>MILITARY PAY RECORDS</u>			
Excess leave - wrong number of days/rate	6	\$ 142.35	\$ 111.65
Computations	6	77.25	
Leave rations not properly credited	5		59.16
Sea duty not deducted for shore patrol and temporary duty	2	32.77	
Commuted rations not credited or deducted	2	1.52	5.56
Cost of living allowance - wrong rate	2		7.25
Temporary lodging allowance - wrong rate or not deducted for temporary duty	2	42.00	
Quarters allowance not paid on change of station	1		255.60
Lump sum leave - wrong rate	1		80.40
Subtotal	27	\$ 295.89	\$ 519.62
Total monetary errors	192	\$1,710.92	\$1,044.63

<u>TYPE OF ERROR</u>	<u>NUMBER</u>	<u>OVERSTATED</u>	<u>UNDERSTATED</u>
<u>MILITARY PAY RECORDS (continued)</u>			
<u>Leave accounting</u>			
Balance computed incorrectly	<u>4</u>	<u>4 days</u>	
Not charged	<u>2</u>	<u>40 days</u>	
Total leave errors	<u>6</u>	<u>44 days</u>	<u>-</u>
<u>Tax reporting</u>			
Taxable income computed incorrectly	<u>1</u>		
Total tax errors	<u>1</u>		
Total all errors	<u>199</u>		

^a Pay Adjustment Authorization issued for \$11.18

^b Pay Adjustment Authorizations issued

^c Pay Adjustment Authorization issued for \$10.92