

UNITED STATES GENERAL ACCOUNTING OFFICE

REGIONAL OFFICE

2006 WASHINGTON BOULEVARD BUILDING 234 STATE STREET DETROIT, MICHIGAN 48226

SEP 28 1972

Rear Admiral Thomas R. Weschler Commander, Cruiser Destroyer Force U. S. Atlantic Fleet Newport, Rhode Island

BEST DOCUMENT AVAILABLE

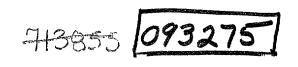
Dear Admiral Heschler:

Our examination of the accounts of 10 ships in the Cruiser Destroyer force indicates that serious problems exist on the ships under your command — we estimate monetary errors of \$290,000 and leave errors totaling 17,000 days for the period January through June 1971. Our evaluation, part of our continuing review of the Navy's financial management system, pinpointed the following needed improvements:

- greater care by disbursing clerks, particularly in processing travel claims:
- -- more emphasis on the timely flow of complete and accurate documentation between disbursing and personnel offices;
- -- etronger payroll proceeding and verification procedures: and
- -- more effective overall supervision.

Confirming our findings, ship commanding officers told us that errors occurred because of inexperienced staff, insufficient training, inadequate supervision and ineffective linking of disbursing and personnel functions.

To oversome these problems, they told us they have improved their training programs, supervisory reviews, and communications between disbursing and personnel offices. Since our study did not include follow-up evaluation of these corrective actions, we recommend that you inquire into their adequacy and consider their application to other ships under your command. Your comments and advice of actions taken will be appreciated.



In making our examination, we reviewed transactions in the January through June 1971 accounts of nine ships and the January through December 1971 accounts of one ship. We also evaluated the results of examinations made by Navy Regional Finance Center onsite examination teams. We selected the ships at random and the documents by generally accepted statistical sampling techniques.

We examined 1,860 military pay records, 990 military travel vouchers, and 203 missellaneous pay and allowance vouchers. We found overpayments and underpayments totaling \$14,965; leave errors involving 580 days; and several errors in reporting taxable income. Tuelve percent of the pay records, 48 percent of the travel vouchers, and 85 percent of the missellaneous vouchers contained errors. The error rates varied considerably between the ships — ranging from 4 to 34 percent on pay records, 34 to 74 percent on travel vouchers, and from 6 to 73 percent on miscellaneous vouchers. The errors are summarized in appendixes I, II and III.

Our findings are reasonably representative, in our opinion, and we estimate the accounts of all ships in the Cruiser Destroyer Force for January through June 1871 contain 10,000 errors totaling \$290,000, 2,600 leave errors involving 17,000 days, and 560 errors in tax reporting.

We are sending copies of this letter to the Comptroller of the Navy; Director, Navy Military Pay System; Commanding Officer, Navy Regional Pinance Center, Norfolk; Commanding Officer, Navy Finance Center, Cleveland; and the Director, Naval Area Audit Service, Boston.

Sincerely yours,

Solon P. Warvelf for Regional Manager

Attachmento -- 3

Appendix I - Voucher error data

Appendia II - Pay record error data

Appendix III - Surmary of errors by type

U. S. GENERAL ACCOUNTING OFFICE

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VOUCHERS

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Includes data for the period January 1 through December 31, 1971

APPENDIX II

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MILITARY PAY RECORDS

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INCLudes data for the period January 1 Chrough December 31, 1971

U. S. GENERAL ACCOUNTING OFFICE DETROIT REGIONAL OFFICE

SUMMARY OF ERRORS

TYPE OF BROR	MBER	VALUE
Military Travel Vouchers		
Per diem - incorrect deductions for meals and quarters	141	\$ 504
Per diem not paid while en route	92	874
Per diem - computations and other clerical errors	71	1,513
Per diem - wrong rate	67	749
Mileage - incorrect distance	57	236
Per diem in excess of constructive travel	55	357
Hilaaga - used highway instead of common carrier		
distance and vice versa	45	228
Reimbursable expenses - unauthorized	28	500
Per diem unauthorized while in group travel status	24	288
Mileage - unauthorized origin or terminal points	21	348
Dependents travel - erroneous distances, unsuthorized	***	alle state minik
terminal points	20	377
Mileage - miscellaneous	19	486
Other	21	658
Subtotal	<u>661</u>	\$7,118
Miscellaneous Vouchers		
Shore patrol - wrong number of days and rate for meals Training duty: Travel allowances - incorrect distances,	6 2	\$ 409
Shore patrol - wrong number of days and rate for meals Training duty: Travel allowances - incorrect distances, unauthorized terminal points, wrong mileage rates, exceeded constructive travel costs, computation Pay and allowances - not paid for 31st day of month, wrong rate, computation, excess travel time Payments to private mess - included rations for members on leave, TAD, in hospital; wrong number of days and rates, computation	53	441
excess travel time Payments to private mess - included rations	8	126
for members on leave, TAD, in hospital; wrong number of days and rates, computation	_37	269
Subtotal Subtates	160	\$1,245
Military Pay Records		
Pay and allowances		
Incorrect computation/extension	40	\$ 924
Leave rations not properly credited/deducted	35	239
Lump sum leave - wrong number days/rate, incorrectly computed		1,366
Sea duty pay - deducted in error or not deducted for leave,		ann 🎘 ann an she
temporary duty or shore patrol duty	21	190
Payroll - not posted or incorrectly posted	17	1,277
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SUMMARY OF ERRORS

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TYPE OF ERROR	NUMBER	VALUE
Military Pay Records		
Pay and allowances (continued)		
Excess leave - wrong number days/rate, incorrectly computed Commuted rations not properly credited or deducted Family separation allowance - retroactive credit or at sea less than 30 days Quarters allowance not paid members w/o dependents on change of station Reenlistment bonus - wrong rate/not recouped All others	14 12 7 7 4 14	\$ 512 89 888 498 281 338
Subtotal	<u> 193</u>	\$6,602
Total monetary errors	1,014	\$14,965
Leave accounting		
Balance computed incorrectly Delay en route incorrectly charged Excess travel time not charged as leave Leave taken not charged Leave credited incorrectly Duplicate or excessive leave charge Total leave errors Tax reporting Taxable income computed incorrectly FICA wages computed incorrectly Total tax errors	40 17 10 9 8 	370 days 27 days 13 days 75 days 55 days 40 days
Total leave errors	32	580_days
Tex reporting		
Taxable income computed incorrectly FICA wages computed incorrectly	17 _6	
Total tax errors	2.2 designations providences	
Total all errors	1,126	