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UNITED STATES GENERAL ACCOUNTING OFFICE  
REGIONAL OFFICE  
7014 FEDERAL BUILDING 1961 STOUT STREET  
DENVER, COLORADO 80202

GAO 00330

APR 6 1973

Major General Maurice L. Watts  
Adjutant General  
Utah National Guard  
Salt Lake City, Utah 84108

AGC00437

Dear General Watts:

We have completed our review of the Army National Guard Civilian Payroll System. The major emphasis in our review was placed on the adequacy and effectiveness of accounting, internal control and internal audit. In our opinion, the locally programmed manual methods presently used, with a few exceptions, are adequate to produce an accurate and timely payroll.

Several weaknesses were discussed with your staff during our review and the following corrective actions have been taken or promised.

1. We were informed that beginning with leave year 1973, annual leave will no longer be advanced to new employees prior to the 90-day qualifying period. The qualifying period is required by the Federal Personnel Manual 990-2, Book 630, Paragraph S3-4.
2. The Payroll Clerk agreed to amend the records for those employees who worked less than 90 days and were not properly credited with sick leave as required by FPM 990-2, Book 630, S4-1.
3. Transmittal slips are now being used to provide adequate control over the transmission of personnel changes from the personnel office to the payroll section.
4. We were advised by the Technician Personnel Officer that the National Guard Regulation 690-11 would be rewritten to clarify the granting of administrative leave.

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5. A control has been instituted which will allow the personnel office to determine that all documents forwarded for processing are considered and that unauthorized changes have not been made.

6 The Comptroller informed us that controls will be established to insure that court fees are collected from employees as required by the Federal Personnel Manual 990-2, Book 630, S10-2

The following weaknesses in accounting and internal controls are those areas which we feel require your attention

1. More assurance that all time and attendance cards are received could be obtained by requiring all activities to use the transmittal slips (NGB Form 46-2).

2. To insure the accuracy of time and attendance cards, the supervisory and timekeeping responsibilities should be separated wherever possible.

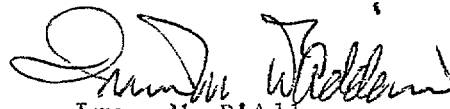
3 Controls over the receiving, reviewing for errors and recording of leave data could be materially strengthened by a second clerk reviewing the primary clerk's actions. The second clerk's responsibilities for leave and payroll control should be covered by written procedures.

4. Procedures should be established to guarantee the receipt of military orders with all time and attendance cards showing military leave as required by National Guard Pamphlet 37-105.

We thank you for the courtesies and cooperation extended our staff during the review

This letter serves as a basis for clearing your accounts through calendar year 1972

Sincerely yours,



Irwin M. D'Addario  
Regional Manager

cc Mr. Maurice Rowe, District Manager,  
U.S. Army Audit Agency

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