

UNITED STATES GENERAL ACCOUNTING OFFICE

REGIONAL OFFICE

ROOM 403, U.S. CUSTOMHOUSE, 41 SOUTH CANAL STREET  
CHICAGO, ILLINOIS 60607

JUN 12 1973

Major General James J. Lison, Jr.  
The Adjutant General  
3020 Wright Street  
Madison, Wisconsin 53704

Dear General Lison:

[Review of Wisconsin Army  
National Guard Pay and Allowances  
System]

We reviewed the civilian pay and allowances system of the Wisconsin Army National Guard (ARNG) for the period January 1, 1969, through March 24, 1973. This review was part of an overall review of civilian pay activities at Department of Defense installations. Our review was directed primarily toward evaluating the adequacy and effectiveness of the internal controls within the pay system as well as operating procedures and practices.

This review disclosed a need for improved controls in the following areas:

- Internal reviews performed by the Examination Office of the United States Property and Fiscal Office for Wisconsin were not broad enough in scope to provide a basis for determining the adequacy and effectiveness of the system's operating procedures and internal controls.
- Control over source documents was not adequate because (1) pay changes prepared by the Technician Personnel Office (TPO) and forwarded to the Technician Payroll Branch (TPB) were not controlled satisfactorily by either the TPO or the TPB, (2) time and attendance cards were forwarded from the timekeeping stations to the TPB and from the TPB to the Data Processing Center (DPC) without using adequate document control techniques, and (3) payroll data that was rejected by the computer was corrected and re-entered without using proper controls.
- Physical security over files, programs, and equipment in the DPC was inadequate.
- Program modifications of the Standard Technician Payroll System Program were made without proper approval and documentation.

The above matters and the need for improved documentation affecting various types of payroll records were discussed with you and members of your staff on May 14, 1973, at which time you advised us that consideration would be given as to how improved controls and procedures could best be achieved.

In accordance with the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, Title 8, Chapter 3, the payroll records covering all periods through March 24, 1973, may be transferred to the Federal Records Center.

A copy of this report is being furnished to the U. S. Army Audit Agency, Midwestern District Office, St. Louis, Missouri, for information.

We wish to express our appreciation for the courtesies and cooperation extended to our representatives during this review and would appreciate your comments on actions taken or contemplated on the matters listed above.

Sincerely yours,

**M. R. Wolfson**

M. R. Wolfson  
Regional Manager

cc: Associate Director, FGMSD-SO - Harry C. Kensky  
Chief, Publications Branch, OAPS ✓  
Auditor in Charge - Daniel M. Loesch

DOCUMENT AVAILABLE