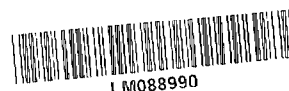




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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
2006 WASHINGTON BOULEVARD BUILDING
234 STATE STREET
DETROIT 26, MICHIGAN



JUL 2 1973

Commanding Officer
Navy Regional Finance Center
Norfolk, Virginia

Dear Sir:

As part of our continuing review of the Navy's financial management system, we sample transactions in Navy disbursing officers' accounts. We examined 1,125 military pay records and travel vouchers in your disbursing officer's accounts and found one or more errors on 68 documents--an error rate of 6 percent. These errors, summarized in the appendix, resulted in overpayments, underpayments, and incorrect leave balances.

About 75 percent of the errors involved military per diem or leave accounting. Most per diem errors were failures to correctly deduct for meals. There appears to be confusion over when deductions are required and in what amount, particularly when per diem is prorated for a part of a day. About half of the leave accounting errors were incorrect computations of leave earned by servicemen who were discharged and reenlisted.

We were unable to pinpoint responsibility or determine specific causes of the errors since our review was limited to records available at the Navy Finance Center, Cleveland. However, we believe the number of errors could be reduced by better supervisory reviews.

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We are bringing this information to your attention so you can take action to preclude future errors. To assist you, we are enclosing information copies of informal inquiries. We would appreciate your comments on the causes and actions taken. Please let us know if you need additional information.

Sincerely yours,

C. H. MOORE

C. H. Moore
Regional Manager

Enclosures -- 2

Appendix

Copies of informal inquiries (16)

cc: Comptroller of the Navy (NCF-4)
Comptroller of the Navy (NCD-3)
Commanding Officer, Navy Finance Center,
Cleveland
Director, Naval Area Audit Service, Norfolk