



059118
089118

UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE

SUITE 500, WASHINGTON BOULEVARD BUILDING
234 STATE STREET
DETROIT, MICHIGAN 48226

GAO 00335

AUG 29 1975

Commanding Officer
U.S.S. Fulton (AS-11)
FPO New York

Dear Sir:

As part of our continuing review of the Navy's financial management system, we have examined selected vouchers in your disbursing officer's accounts for the 6 months ended February 1975. Of the 313 vouchers we examined, 63 had one or more monetary errors -- an error rate of 20 percent. These errors, totaling \$2,108, are summarized in the appendix.

About 75 percent of the erroneous payments involved per diem; the majority were found on overseas travel vouchers. The predominant types are discussed below.

--Per diem authorized by regulations for overseas travel between stations was not always paid or was paid at wrong rates. In several instances the former \$8 rate was used instead of the current \$25 rate, in effect since December 1, 1973. In other instances, rates for specific locations were used instead of the \$25 travel rate. See paragraphs M4253-3 and 4 of the JTR and vouchers 17039, 17049, 17455 and 17462.

--Per diem at overseas temporary duty stations was paid at rates other than those prescribed by appendix A, JTR. Vouchers 17046 and 17202 are examples.

--Per diem for the day of return to overseas permanent duty stations was not reduced by 50 percent as required by paragraph M4254-1 of the JTR. Vouchers 17046 and 17970 are examples.

~~909282~~
089118

--Per diem authorized by regulations was not paid for days of travel between stations. As provided in paragraph M3050, JTR, per diem is payable for all periods in a travel status. Vouchers 17049 and 17232 are examples.

In addition to the monetary errors, we found travel itineraries which were incomplete or inconsistent with documents supporting the claims.

We were unable to determine the causes of the errors since our review was limited to records at the Navy Finance Center, Cleveland. However, we believe many errors would not have been made if disbursing personnel were more familiar with the JTR, were more careful in routine operations, and had used current reference manuals.

We found similar deficiencies in our last audit of the USS Fulton's disbursing accounts and reported our findings to the ship's commanding officer in a letter report dated March 1, 1973. In his reply he said corrective action had or would be taken to improve proficiency and strengthen supervision. A copy of his letter is enclosed.

We would appreciate your comments on the current error rates, the causes of the errors, and any corrective action you plan to take. To assist you, we are enclosing information copies of informal inquiries. Please let us know if you need additional details.

Sincerely yours,

J. R. DUNWIDDIE

For
Walter C. Herrmann, Jr.
Regional Manager

Enclosures - 3

Appendix

Copies of informal inquiries (15)

Copy of USS Fulton letter

cc: Comptroller of the Navy (NCD-3)
Comptroller of the Navy (NCF-4)
Commanding Officer, Navy Finance
Center, Cleveland
Officer in Charge, Navy Finance
Office, Brooklyn
Director, Naval Audit Service
Northeast Region
Commander, Submarine Force,
Atlantic Fleet

U. S. GENERAL ACCOUNTING OFFICE
DETROIT REGIONAL OFFICE

U.S.S. FULTON (AS-11)
SEPTEMBER 1, 1974 THROUGH FEBRUARY 28, 1975

EXTENT OF ERRORS

<u>TYPE OF RECORD</u>	<u>TOTAL</u>	<u>NUMBER REVIEWED</u>	<u>NUMBER OF ERRORS</u>	<u>RECORDS WITH ERRORS</u>	
				<u>Number</u>	<u>Percent</u>
Military travel vouchers	889	300	93	58	19
Miscellaneous vouchers	<u>13</u>	<u>13</u>	<u>11</u>	<u>5</u>	<u>38</u>
Totals	<u>902</u>	<u>313</u>	<u>104</u>	<u>63</u>	<u>20</u>

SUMMARY OF ERRORS

<u>TYPE OF ERROR</u>	<u>NUMBER</u>	<u>OVERPAYMENT</u>	<u>UNDERPAYMENT</u>
<u>MILITARY TRAVEL VOUCHERS</u>			
<u>Per Diem</u>			
Wrong rate	23	\$ 65.89	\$130.24
Not paid while en route between stations	11		137.73
Meals/quarters - deductions	11	97.41	30.10
Computation	11	132.95	25.14
Not entitled - at permanent duty station, in mileage status, reported early, on leave	9	803.70	
Constructive travel	8	63.70	
<u>Mileage</u>			
Incorrect distance	6	21.92	146.46
Not entitled/not paid	3	17.22	37.44
<u>Dislocation Allowance</u>			
Wrong rate	1	10.50	
<u>Reimbursable Expenses</u>			
Not entitled - paid mileage	9	127.05	
Not paid cost of meals	<u>1</u>		<u>16.00</u>
Subtotal	<u>93</u>	<u>\$1340.34</u>	<u>\$523.11</u>

<u>TYPE OF ERROR</u>	<u>NUMBER</u>	<u>OVERPAYMENT</u>	<u>UNDERPAYMENT</u>
<u>MISCELLANEOUS VOUCHERS</u>			
<u>Pay and Allowances for Training</u>			
<u>Duty</u>			
Wrong rate of basic pay	4	\$ 14.82	\$ 22.12
Incorrect computation of travel time	2	56.12	36.20
Computation	2		80.16
<u>Per Diem for Training Duty</u>			
Not paid for travel time	<u>3</u>		<u>35.40</u>
Subtotal	<u>11</u>	<u>\$ 70.94</u>	<u>\$173.88</u>
Total monetary errors	<u>104</u>	<u>\$1411.28</u>	<u>\$696.99</u>