



089037

089037

UNITED STATES GENERAL ACCOUNTING OFFICE  
REGIONAL OFFICE  
8TH FLOOR  
PATRICK V McNAMARA FEDERAL BUILDING  
477 MICHIGAN AVENUE  
DETROIT, MICHIGAN 48226

20 DEC 1976

005277

Vice Admiral Robert E. Adamson, Jr.  
Commander, Naval Surface Force  
U. S. Atlantic Fleet  
Norfolk, Virginia 23511

Dear Admiral Adamson:

As part of our continuing review of the Navy's financial management system, we have examined the disbursing accounts of the U.S.S. LITTLE ROCK to verify the propriety and accuracy of travel payments and computations involving leave. We reviewed a statistical sample of 205 of 410 vouchers paid in the 6 months ended December 31, 1975, and found errors on 99 vouchers, or 48 percent of the total examined. Our findings are summarized below.

Travel Errors

On 85 vouchers, we identified 122 over and underpayments totaling \$2,000. The predominant errors included (1) incorrect deductions for meals, (2) payments of per diem to members in a leave status, (3) payments of per diem to recruits under instruction before they reported to their first permanent duty station, and (4) payments of per diem at the wrong rate. On the basis of our tests, we estimate that the unexamined vouchers in the accounts contain at least 122 additional errors totaling about \$2,000.

Leave Errors

Periods of leave were shown on 129 vouchers. On 37 of these vouchers, we identified 29 members who received 59 days of leave that were not charged

089037

to their leave accounts. We also identified 8 members who were overcharged 13 days. Errors resulted because:

--various members who transferred to the ship were authorized more or less traveltime than required to complete trips from prior duty stations. Differences in the time authorized and the time properly allowable should have been added or deducted from their leave accounts.

--in several cases, erroneous computations were made in determining the constructive traveltime allowance of members who returned to the ship after performing temporary additional duty (TAD) assignments. Members who were authorized leave after completing TAD were allowed excessive traveltime which should have been charged as leave.

In many cases, we were unable to determine whether leave was computed properly because 74 percent of the vouchers in our sample lacked required reporting and detaching endorsements. Without these endorsements or other supporting documentation (NAVCOMPT Forms 3067 and 3068), it is not possible to verify the propriety of most travel claims and leave transactions.

Our tests indicate that the administrative and disbursing personnel aboard the U.S.S. LITTLE ROCK either were not familiar with the travel and leave regulations or did not exercise due care in preparing and processing travel claims, and related leave transactions.

Moreover, our tests indicate that the disbursing officer was not performing required supervisory reviews and verifying the accuracy of the leave, proceed and traveltime reported by the administrative office. Such verifications are required by paragraph 4009-1 of the Navy Travel Instructions and the Navy Pay and Personnel Procedures Manual, paragraph 10382.

The U.S.S. LITTLE ROCK was decommissioned prior to the completion of our audit. However, we have submitted informal inquiries to the Navy Finance Center and requested that action be taken to process adjustments in the accounts of the members involved to correct the over and underpayments and erroneous leave transactions.

We are bringing these matters to your attention because we continually find high error rates in the processing of travel and leave transactions aboard ships. The errors on the U.S.S. LITTLE ROCK are typical. We suggest that you alert the disbursing officers under your command of these problems.

We would appreciate your comments and advice of any actions taken.

Sincerely yours,

 W. C. HERRMANN, JR.,

Walter C. Herrmann, Jr.  
Regional Manager

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