



FIELD OPERATIONS DIVISION

APR 19 1976

General Louis H. Wilson  
Commandant  
U. S. Marine Corps  
Washington, D. C.

Dear General Wilson:

The Comptroller General's letter to the Secretary of Defense dated June 29, 1973, which approved the design of the Marine Corps Joint Uniform Military Pay System referred to our plan to examine selected aspects of the system in operation. During the past year we have examined selected military pay and personnel records at 13 reporting commands. The results of our examinations were discussed with the reporting commands and are summarized below.

We found that:

- About 30 percent of the records examined contained one or more errors, most of which affected members' pay.
- The method by which inputs are acknowledged by the system is incomplete and unreliable. This makes the tracing of transactions unduly burdensome for the reporting units.
- Reporting units employed large numbers of personnel to handle the workload, but many did not have administrative specialties.
- Reporting commands are not required to respond to the Marine Corps Disbursing On-Site Examination Team (MCDOSSET) recommendations for correcting internal control weaknesses.

We recommend that:

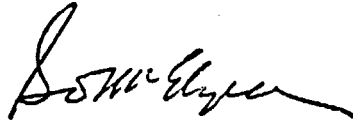
- System changes be made to provide a single-point, positive acknowledgment of all system inputs in a form that will be easily understood by the originator.

General Louis H. Wilson

- Administrative staffing requirements be reevaluated and to the extent practicable adequate staffs with necessary skills be assigned to each reporting unit.
- Reporting unit commanders formally respond on actions taken to correct internal control weaknesses reported by the MCDOSSET teams.

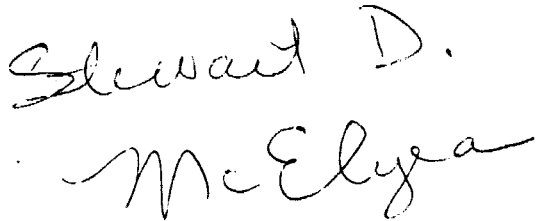
The details for our examinations are summarized in the attachment. We will appreciate receiving your comments on our report and on any corrective actions that are being taken.

Sincerely yours,



Director

Attachment





UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

FIELD OPERATIONS DIVISION

Summary of Examination of Selected  
Military Pay and Personnel Records at  
18 Marine Corps Reporting Commands

Introduction

The General Accounting Office has made a limited survey of military pay and personnel data records in the Joint Uniform Military Pay System/Manpower Management System (JUMPS/MMS). In fiscal year 1975 about \$1.9 billion was disbursed under the JUMPS and personnel data on about 199,200 active duty Marines was maintained under the MMS portion of the system.

The JUMPS/MMS is an integrated automatic data processing system which is event oriented. The system's programs instruct a computer to automatically compute pay changes caused by changes in personnel data recorded in the MMS. About 1,500 administrative commands report personnel data changes on unit diaries. Changes in pay data, involving items outside the scope of MMS, are reported on Transcripts of Data Extraction (TODEs) by disbursing offices. Both the unit diaries and the TODEs contain data typed in optical characters which data processing equipment can read.

The automatic data processing system includes the Marine Corps Automated Services Center, Kansas City, Missouri, and seven Satellite Data Processing Installations. These Satellites process the unit diaries and TODEs and transmit them electronically to the Automated Services Center which maintains master computer records on personnel and pay. The Satellites maintain duplicate MMS field computer files and limited JUMPS data. From the master pay records, the Automated Services Center prepares monthly Leave and Earnings Statements (LESs). A LES is issued to the applicable disbursing officer with a copy for the individual Marine and his commanding officer.

The survey, which was conducted between April and August 1975, involved visits to 18 reporting commands where we randomly sampled personnel and pay records to verify that relevant data had been accurately reported to and processed by the JUMPS/MMS system. At the reporting commands we obtained data on the number of administrative staff members employed and the internal controls and procedures used to insure the prompt, complete, and accurate reporting of pay/personnel actions. We also reviewed the internal audit services provided by the Marine Corps Disbursing On-Site Examination Team (MCDOSSET), and examined the methods for advising reporting commands and disbursing offices regarding the system's acceptance or rejection of reported data. The reporting commands included in our survey and the date of our visits are shown in Appendix I.

We found that:

- About 30 percent of the records sampled contained one or more errors, most of which affected members' pay.
- The method by which inputs are acknowledged by the system is incomplete and unreliable. This makes the tracing of transactions unduly burdensome for the reporting unit.
- Reporting units employed large numbers of personnel to handle the workload but many did not have administrative specialties.
- No requirement exists for reporting commands to respond to the MCDOSSET recommendations for correcting internal control weaknesses.

#### RECORDS WITH ERRORS

From a universe of 5,508 members assigned to the 18 reporting commands, we examined pay/personnel records of 463 members. We found that 137 records, or about 30 percent, contained one or more errors. For individual units the error rate ranged from 7.7 to 66.7 percent. The 137 records with errors included 123 with actual or potential monetary effect in the JUMPS/MMS system. The gross dollar amount of the errors (overpayments and underpayments) was only about one percent of total pay entitlements, but the frequency of error is costly in terms of morale and administrative effort to identify and correct.

About 59 percent of the errors resulted from inaccurate or omitted reporting of annual leave taken or other leave-related events. Other errors resulted from omission of entries or inaccurate entries in the members' service record books, and from failure to accurately report the start or stop of various pay entitlements.

The reporting commands were responsible for 126 of the 137 records in error (see Appendix II). We believe the commands could have prevented most of the errors by properly comparing unit diaries to supporting documents. The commands are responsible for auditing reports from the system to see that reported data has been fully and accurately recorded in the computer records. Because of inadequacies in the acknowledgement system, this procedure can be burdensome and many of the commands were not making adequate reviews to determine that data recorded in members' service record books and related documents were fully and accurately recorded in the JUMPS/MMS system.

To determine a reporting command's performance under the system a Statistical Transaction Analysis Report (STAR) is produced by the system. The STAR purports to show the system's acceptance rate for a particular reporting command's unit diary inputs for the month. While STAR showed most of the commands surveyed as having 95 percent acceptance rates (Corps standard

for acceptable performance), the data used to compile the rates does not include all unit diary inputs and includes data that were incorrect as shown by our survey. Accordingly, the merit of using this report to evaluate a reporting unit's performance is questionable.

We discussed the errors disclosed by the survey with appropriate personnel and reached agreement on the actions required to correct the JUMPS/MIS data base and/or the member's record.

#### JUMPS/MMS ACKNOWLEDGEMENT SYSTEM

The system has not provided reporting units and disbursing offices prompt and reliable advice as to whether reported data was correctly recorded in the computer records. This makes determinations of the need to re-input rejected data or to correct errors unduly burdensome. This situation has contributed to the error rates, particularly those of reporting units staffed with unskilled personnel.

The Satellite Data Processing Installations prepare Unit Transaction Registers (UTRs) which they furnish to reporting units to show the disposition of unit diary inputs. Each unit diary action statement processed will appear in one of seven sections (paragraphs) of the Register. Principally, the Register shows the following:

- Personnel data accepted for posting to the Satellite field record and forwarded to the Automated Services Center for posting to the master record.
- Personnel data rejected by either the Satellite or the Center to be corrected by the reporting unit or the Satellite.
- Pay-related data passed to the Center for processing.
- Pay-related data accepted by the Center.
- Pay-related data rejected by the Satellite or the Center to be corrected by the reporting unit or the Satellite.

Each action statement within a unit diary entry results in one transaction for computer processing. Accordingly, a multiple statement diary entry containing both personnel and pay data may appear in various paragraphs of the Register with final disposition requiring several days research through many pages of the Registers.

A number of the errors detected during the survey were items that were rejected or otherwise not accepted (acknowledged) by the system. The reporting units did not recognize the failure of these items to process and accordingly

did not re-enter them. The failure of the reporting commands to promptly recognize the non-acceptance of unit diary data is apparently caused by their inability to trace action statements on the Unit Transaction Registers.

One reporting command kept data on the number of pay-related statements transmitted by the Satellite to the Center in calendar year 1974, that the Center did not acknowledge. The total of 1,083 statements not acknowledged by the Center included 914 which subsequently appeared on Leave and Earnings Statements and 169 which were re-entered and eventually processed.

We were told of an instance where all of the data appearing on a particular Unit Transaction Register was lost during transmission between the Satellite and the Center. The Register included data from several days unit diaries. By reference to the MMS master record at the Center we verified, on a test basis, that the personnel action statements were not recorded in the master record. We also found JUMPS data shown on the Register but not on the master record or on subsequent Leave and Earnings Statements.

Transcripts of Data Extraction (TODE) inputs by disbursing offices are not individually acknowledged when processed by the system. The disbursing offices verify TODE inputs by audit of subsequent Leave and Earnings Statements. This type verification may involve delays of up to 30 days or more. TODEs that reject during processing at the Center are researched and corrected at the Center or returned to the originating disbursing office for correction. A sample of 44 TODEs returned to disbursing offices by the Center showed that 28 had not been re-input several months after initial rejection. We learned that there is no control procedure at the Center to insure that the disbursing offices correct and re-input the data.

#### REPORTING COMMAND ADMINISTRATIVE STAFFING

Most of the units had larger administrative staffs than authorized. For example, one command authorized five administrative positions had 13 members assigned for duty--12 of which carried administrative MOSs. In contrast, another unit authorized three administrative positions was assigned 10 members, but only one of the 10 carried an administrative MOS.

Units lacking either a Unit Diary Clerk and/or Administrative or Personnel Chief, and employing large proportions of personnel with non-administrative MOSs, generally had higher record error rates than their more adequately staffed counterparts. (See Appendix III.)

Thirteen of the 18 units used members on the administrative staff who held MOSs in non-administrative fields. The reporting commands were authorized a total of 82 administrative positions, (Administrative or personnel chief and below), but 134 members were assigned for duty. Of these 134 members 85

held primary MOSs in administrative fields. Although each reporting unit was authorized at least one Administrative or Personnel Chief and one Unit Diary Clerk, nine did not have a member assigned with a primary MOS as an Administrative or Personnel Chief, and four did not have a member assigned with a primary MOS as a Unit Diary Clerk.

#### MARINE CORPS DISBURSING ON-SITE EXAMINATION TEAMS (MCDOSSET) AUDITS

MCDOSSET teams annually conduct site audits of each Corps disbursing office. Administrative examinations of reporting commands supported by the disbursing offices are made as time and personnel will allow. Since the JUMPS/MMS system itself does not provide reliable reports from which a reporting commands' performance can be evaluated, we believe the MCDOSSET audit reports provide the best available evidence of the effectiveness of the command's performance under the system.

MCDOSSET teams report on the results of their disbursing and administrative audits. These reports summarize the errors found and make recommendations for improvements in internal controls and operating procedures to prevent recurrence of the errors detected. The disbursing officers and administrative unit commanders correct the errors but do not respond to MCDOSSET, or to a higher headquarters, as to what actions they have taken or planned to implement recommendations for strengthening internal controls and operating procedures. MCDOSSET teams are not required to follow up on their recommendations to determine compliance by the disbursing offices and reporting commands.

If unit commanders were required to report to their superiors on what they intend to do to prevent recurrence of the errors disclosed by MCDOSSET teams, the audits would be more effective and unit commanders' efforts to improve performance would be documented. Responses to MCDOSSET reports would provide an element of accountability or responsibility that presently is lacking in the system.

#### CONCLUSIONS

Many commands apparently do not have adequate qualified personnel to perform necessary administrative functions and the system itself contributes to operational problems through an unreliable acknowledgment system.

Effectiveness of reporting commands cannot be determined from the system itself, and the internal audit procedures are not effective in creating better administrative controls at the reporting commands.

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**RECORDS IN ERROR  
DISCLOSED BY THE SURVEY**

	<u>Quantity</u>	<u>Percent</u>
<b>Records in error chargeable to the reporting units</b>		
Incorrect or omitted inputs	85	
Failure to re-input rejected items	19	
Incorrect or omitted entries in the Service Record Books	11	
Computer processing errors that should have been detected by audit of the LES's	7	
Incorrect or incomplete leave balance adjustments by MCASC that should have been detected	<u>4</u>	27.2%
<b>Records in error chargeable to disbursing</b>	<u>11</u>	<u>2.4%</u>
<b>Total records in error</b>	137	29.6%
<b>Records with no errors</b>	<u>326</u>	<u>71.4</u>
<b>Total members' records included in the survey</b>	<u>463</u>	<u>100.0%</u>

ADMINISTRATIVE STAFFING AND

UNIT RECORD ERROR RATES

Reporting units	Authorized administrative MOSS	Personnel assigned with administrative MOSS	Other personnel assigned	Total personnel assigned	Record error rate
<u>Independent Commands</u>					
Hqtrs., 9th Marine Corps Dist.	13	13	0	13	6.8%
Marine Corps Finance Center	4	4	0	4	7.7
Marine Corps Automated Services Center	5	5	0	5	20.7
Subtotal (% of authorized)	<u>22</u>	<u>22 (100%)</u>	<u>0</u>	<u>22 (100%)</u>	<u>11.1%</u>
<u>Division, Regimental, Battalion, and Squadron Headquarters</u>					
Hq., and Hq. Sqn., MCAS Yuma	7	7	0	7	11.7%
Hq., and Svc. Co., 1st Tank Bn.	4	5*	2	7	15.0
VMEAT 101, MCAS Yuma	9	8	2	10	17.5
Hq. Btry., 11th Marine Reg.	4	4*	2	6	25.0
Hq. Co., Hq. Bn., 1st Mar. Div.	5	12	1	13	31.4
Hq. and Svc. Btry., 2nd LAAM Bn.	4	5	4	9	34.3
1st Co., 5th Marine Regiment	2	6	0	6	40.0
Hq. and Svc. Co., 2nd Bn., 5th Regiment	3	3*	6	9	40.7
Hq. Btry., 3rd Bn., 11th Mar. Reg.	3	3*	4	7	61.1
Subtotal (% of authorized)	<u>41</u>	<u>53 (129%)</u>	<u>21</u>	<u>74 (180%)</u>	<u>27.1%</u>

Reporting units	Authorized administrative MOSS	Personnel assigned with administrative MOSS	Other personnel assigned	Total personnel assigned	Record error rate
<u>Infantry Companies, Artillery and Missile Batteries</u>					
E Co., 2nd Bn., 5th Mar. Reg.	5	3#	4	7	30.0%
F Btry., 2nd Bn., 11th Mar. Reg.	3	2*	3	5	40.0
M Btry., 3rd Bn., 11th Mar. Reg.	3	2*	4	6	40.0
C Btry., 2nd LAAM Bn.	2	2*#	3	5	45.0
B Btry., 1st Bn., 11th Mar. Reg.	3	0*#	5	5	50.0
K Co., 3rd Bn., 5th Mar. Reg.	3	1*#	9	10	66.7
Subtotal (% of authorized)	<u>19</u>	<u>10 (53%)</u>	<u>28</u>	<u>38 (200%)</u>	<u>43.9%</u>
Grand totals (% of authorized)	<u>82</u>	<u>85 (104%)</u>	<u>49</u>	<u>134 (163%)</u>	<u>27.2%</u>

\*Admin/Pers. Chief position was vacant or filled by member with another MOS.  
#Unit Diary Clerk position was vacant or filled by member with another MOS.