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UNITED STATES GENERAL ACCOUNTING OFFICE

REGIONAL OFFICE

8TH FLOOR

PATRICK V. McNAMARA FEDERAL BUILDING

477 MICHIGAN AVENUE

DETROIT, MICHIGAN 48226

'JUL 8 1977

Commanding Officer
U.S. Naval Air Facility
Sigonella, Sicily

Dear Sir:

As part of our continuing review of the Navy's financial management system, we have examined travel and leave transactions in the accounts of the Naval Air Facility to test the quality of disbursing and related administrative procedures and internal controls. We examined a statistical sample of 332 of 1,331 vouchers paid in the 6 months ended September 30, 1976. On 115 vouchers, or about 35 percent of our sample, we identified 141 errors.

Travel Errors

On 104 vouchers, we found 123 over and underpayments totaling \$1,762. The predominant errors included:

- incorrect deductions for meals and quarters
- incorrect application of lodging plus method of computing per diem
- wrong rate of per diem
- failure to compute per diem on the basis of constructive travel
- erroneous mileage for member/dependent travel

Administrative examiners at the Fleet Department, Navy Finance Center (NFC), Cleveland, Ohio, also reviewed these accounts and identified 10 errors totaling about \$650. Our tests indicate that the unexamined vouchers contain 369 additional errors totaling about \$5,300.

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Leave Accounting Errors

Periods of leave were shown on 92 vouchers. On 18 of these vouchers we identified 14 members undercharged 53 days of leave and 4 members overcharged 4 days. Most errors resulted because members transferring to the station were allowed more traveltime than required to complete trips from prior duty stations. Differences in the time authorized and the time properly allowable should have been posted to members' leave accounts.

Administrative examiners at NFC did not verify delay en route computations. Projecting our findings, we estimate that the unexamined vouchers contain an additional 54 errors, involving 171 days of under and overcharged leave.

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We believe administrative and disbursing personnel at the station either were not familiar with the current travel and leave regulations or were careless in preparing and processing travel claims and related leave accounting transactions. Moreover, our tests indicate that the disbursing officer was not performing required supervisory reviews and verifying the accuracy of leave, proceed time and traveltime shown on the travel claims. Such verifications are required by Navy Travel Instructions, paragraph 4009-1, and Navy Pay and Personnel Procedures Manual, paragraph 10382.

Since NFC examiners have identified only a small fraction of the errors in these accounts, we will report our findings to the Commanding Officer and recommend that the accounts be reexamined. We also recommend that your disbursing and administrative officers review all retained and current vouchers and supporting documents to verify the accuracy of the travel payments and delay en route computations, including traveltime authorized and leave charged.

We have forwarded to your disbursing officer 32 informal inquiries describing travel errors over \$25 and incorrect leave accounting transactions. We have requested that adjustments be made to correct the errors. In addition, we have requested the NFC to issue pay adjustment authorizations for 22 travel errors ranging from \$10 to \$25.

We are bringing this information to your attention so you can take action to prevent future travel and leave errors. Your comments on the causes and advice as to any actions taken will be appreciated.

Sincerely yours,

W. C. Herrmann, Jr.

Walter C. Herrmann, Jr.
Regional Manager

cc: Comptroller of the Navy (NCB-4)
Comptroller of the Navy (NCF-4)
Commander Fleet Air, Mediterranean
Commanding Officer, Navy Finance
Center, Cleveland
Commanding Officer, Fleet Accounting
and Disbursing Center, Norfolk
Director, Naval Audit Service
Southeast Region