



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

*T.M. Gordon
Room 6104*

B-159797

SEP 30 1981

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The Honorable Caspar W. Weinberger
The Secretary of Defense

Attention: Assistant Secretary of Defense (Comptroller)

Dear Mr. Secretary:

Subject: Approval of the Functional (Accounting) Design
of the Program and Fund Distribution Control
System--Phase II (AFMD-81-117)

It is my pleasure to approve the functional design of the Program and Fund Distribution Control System--Phase II submitted with your letter of September 29, 1981, as being in conformity in all material respects with the approved accounting principles and standards of the Department of the Army. This system is designed to control the Department of Army receipt and distribution of program and fund authority for Army nonprocurement appropriations. Phase I of this system was approved by the Comptroller General on September 28, 1979. The total system controls program and fund distribution from the departmental to the installation level. This system is not a complete accounting system in that it relates only to fund distribution.

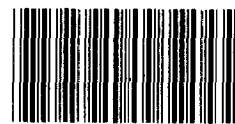
In evaluating Phase II of the system, we did not evaluate the automatic data processing aspects because the automated portion of the system is in the developmental stage.

To maintain the approved status of the design, planned changes should be discussed with our representatives and, if deemed significant, submitted formally for approval.

We note that the system has been in operation for some time. We suggest that the Army Audit Agency periodically review the system to assure that it is operating as designed. At some future date we will examine the system, or selected aspects thereof, and advise you as to whether it is functioning effectively and is in accordance with this approval.

Please express our appreciation to the staff at the U.S. Army Finance and Accounting Center for their cooperation during the evaluation.

Sincerely yours,



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Comptroller General
of the United States

cc: Defense Audit Service

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