



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

CIVIL DIVISION



JUN 10 1971

Dear Mr. Zarb:

We have completed a review of the accounts of certifying officers of the Regional Administrative Office, Office of the Assistant Secretary for Administration, Chicago, Illinois. Our review covered the period January 1 through December 31, 1970, and consisted of an examination, on a test basis, of the administrative procedures and internal controls relating to the voucher audit function and the payment service activity of the Regional Administrative Office. We did not examine program operations during this review.

We found that improvements were needed in certain administrative procedures and controls. Following our discussion of these matters with the Regional Administrative Officer and his staff, we were advised that appropriate corrective actions would be taken on all of the matters discussed. The details of our findings are presented below for your information.

DUPLICATE PAYMENTS

In four instances duplicate payments had been made to vendors because the voucher examiners did not refer to the paid vendor files in connection with approving vouchers for payment. While the total amount involved in these duplicate payments was relatively small (\$266), controls need to be strengthened to preclude more serious problems. Appropriate recovery action was taken following our discussion of this matter.

The Regional Administrative Officer advised us that the voucher examiners would be instructed to inspect the paid vendor files in the future before approving vouchers for payment.

ADMINISTRATIVE CERTIFICATIONS NOT MADE

Administrative certification evidencing the satisfactory delivery of goods and/or completion of services was not recorded on 41 paid vouchers examined. Such certifications are required under Department regulations governing the processing of both commercial invoices and invoices received from other Government agencies.

The Regional Administrative Officer stated that he would issue instructions to require that in the future certifications be made in all cases.

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TRAVEL VOUCHER DISCREPANCIES

Our examination of 105 travel vouchers processed for payment during December 1970 revealed the following discrepancies.

	<u>Number of vouchers</u>
Erroneous per diem payments	7
Taxi tips in excess of 15-percent limitation	37
Support missing for claim for lodging	2

While the total amount of overpayments resulting from the above discrepancies was relatively small, the number of discrepancies was significant and indicated the need for more effective reviews of travel vouchers. Collection action was instituted by the certifying officer where appropriate.

The Regional Administrative Officer advised us that reviews of travel vouchers would be strengthened.

REFUNDS FROM AIRLINES NOT CLAIMED

We found 2 instances in our examination of the 105 travel vouchers processed in December 1970 where refunds due from airlines had not been claimed. In one instance a refund was due because of an unused return ticket, and in the other instance because lesser accommodations than those purchased had been used by the traveler.

The Regional Administrative Officer advised us that procedures would be strengthened to ensure that all refunds due from carriers are identified and claimed promptly.

CONTROLS OVER TRAVEL ADVANCES
NEED TO BE STRENGTHENED

Outstanding travel advances were not being reviewed on a quarterly basis as required by Department regulations. Such reviews are intended to disclose those advances which need to be recovered or adjusted based on actual travel performed. Our review of 20 randomly selected advances outstanding as of February 1971 revealed that 7 should have been liquidated previously.

The Regional Administrative Officer advised us that he would improve controls over travel advances.

We believe that the corrective actions indicated by the Regional Administrative Officer, if properly implemented, should improve administrative procedures and controls.

We wish to acknowledge the cooperation given our representatives during the review and we would appreciate being advised of any further action taken on these matters.

Sincerely yours,



Henry Eschwege
Associate Director

The Honorable Frank Zarb
Assistant Secretary for Administration
Department of Labor

cc: Regional Administrative Officer, Chicago, Illinois
Mr. Edward McVeigh
Mr. Edgar Dye
Mr. Wayland Coe