



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON REGIONAL OFFICE
FIFTH FLOOR
803 WEST BROAD STREET
FALLS CHURCH, VIRGINIA 22046

APR 28 1972



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Dear Mr. Dickenson:

We reviewed the practices and procedures of the Office of National Capital Parks, National Park Service, relative to the administration of accounts receivable and related functions for billings, collections, receipts, and deposits. This review was undertaken because another office of the National Park Service had problems in this area. We thought it would be useful to share our observations with you to enable you to initiate corrective action.

We found that the Office of National Capital Parks has an opportunity to improve its internal control over billings, collections, receipts, and deposits. The accounting records maintained for billings and collections were not adequate to assure us that all moneys due were billed and collected. Furthermore, receipts were not properly safeguarded and deposits were not made promptly. Details follow.

Need to improve internal control over billings

The Office of National Capital Parks enters into agreements for the operation of a variety of services and activities for the public. We examined the available financial records and could not determine whether all amounts due on these agreements were billed and collected because of inadequate accounting records. Furthermore, we were advised that no one knowledgeable about the overall management of these agreements was available to brief us.

We found that the cashier, Branch of Fiscal Services, prepares the bills monthly from the agreements on file in her office. Copies of the bills are forwarded to the Branch of Accounting which prepares a monthly list of the billings that is used as a record of the amounts due for the month. The cashier was not sure that the file in her office contained all of the agreements. Furthermore, a monthly listing is not prepared showing all agreements in effect and the amounts owed. There appeared to be many more agreements in effect than those listed on the monthly list of billings, and we could not be assured that all amounts due under agreements in effect had been billed. Some agreements apparently provide for payments either annually, quarterly, or on percentage-of-sales basis; but without a complete monthly listing of all agreements, the terms, and the amounts due, we could not determine whether some accounts were overlooked and were overdue.

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We suggest that an employee be assigned to maintain an up-to-date schedule of the agreements and to provide the cashier with complete monthly billing schedules showing all debtors, the terms of the agreements, and the amounts due.

Need to improve internal control over collections

The National Park Service Accounting Handbook, part 12, chapter 3, requires that the accounts receivable control account be reconciled to the file of unpaid bills and the accounts receivable register each month and that the due date of each unpaid bill be noted and collection action initiated.

We found that individual accounts receivable ledger accounts are not maintained and the accounts receivable control account had not been reconciled to the file of unpaid bills and the accounts receivable register for nearly 18 months. Therefore, we had no assurance that the accounts receivable records include all the unpaid bills. Furthermore, we noted that some accounts dated in 1967 were still shown as receivables but that no collection action had been taken. We suggest that the provisions of the Accounting Handbook relative to reconciliation of accounts receivable and collection action be brought to the attention of appropriate personnel. Also, you may wish to establish some controls to assure that the provisions of the handbook are carried out.

Inadequate control over receipts and deposits

The National Park Service Accounting Handbook, part 12, chapter 3, requires that collections received by mail be recorded on a daily basis, and the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies (7 CAO 12.1) requires all funds be deposited promptly in the Treasury.

We found checks received in the mailroom had been placed in a manila envelope and laid under a file box on top of a desk where they remained up to a week until taken to the cashier. A limited test indicated that this is not an unusual situation. It is the practice of the mailroom to record the checks and send them to the cashier about once a week.

Further, although the cashier records receipts promptly, the receipts are deposited in the Treasury only about once a week. By not properly safeguarding its receipts and by not depositing them promptly, the Office of National Capital Parks is unnecessarily increasing the risk of theft of Government property.

We suggest that responsible personnel in the mailroom and the cashier be instructed on the importance of safeguarding receipts and on their responsibilities in this area as set forth in the handbook.

We wish to acknowledge the courtesies and cooperation extended to our representatives during the review. We would appreciate your views and advice as to any action taken relative to the matters discussed above.

Sincerely yours,

Robert W. Hanlon

Robert W. Hanlon
Acting Regional Manager

Mr. Russell E. Dickenson
Director, Office of National Capital Parks
1100 Ohio Drive, SW.
Washington, D.C. 20242