

DOT 11-13

1 5 44 177



Rear Admiral James S. Gracey
Commander, Ninth Coast Guard
District
U.S. Coast Guard
A. J. Colabruzzo Federal Building
1240 East Ninth Street
Cleveland, Ohio 44159

Dear Admiral Gracey:

We have completed our review of the administration of the military pay system and the accuracy of military travel voucher payments in the Ninth Coast Guard District. Our review indicates that most military pay and travel disbursements by your District are accurate.

D-11-13

Military pay records

We examined a statistical sample of military pay records for the period January 1 to June 30, 1976 and June 30, 1976 tax report. We also reviewed internal control and allotment deduction procedures.

We found 13 errors totaling \$125 on 13 of the 115 records examined. All but one of the errors were for small amounts. The one exception involved the failure to pay \$116 for Basic Allowance for Quarters to an enlisted member without dependents who was in a travel status on a permanent change of station.

We found no discrepancies in our examination of the tax report which included a test for accuracy and a comparison of W-2 data on pay records to taxable income reported to the Internal Revenue Service. In addition, the District's internal control and allotment deduction procedures also appear to be adequate.

Military travel vouchers

We also reviewed a statistical sample of travel vouchers and the attached supporting documents.

We found 18 errors totaling \$281 on 14 of the 176 vouchers in our sample. Our statistical projection indicates there may have been about 600 errors amounting to \$11,000 in the 7,000 vouchers in the universe.

Eight of the 18 errors were for incorrect distance computations (mileage) for members and dependents. Another seven concerned incorrect payments of per diem. Since 15 of the 18 errors related to either mileage or per diem computations, you may want to increase the supervisory review of these items on travel vouchers. A summary of the type and frequency of travel errors is in the appendix.

At the conclusion of our examination, we reported our findings to the District Comptroller so corrective action could be promptly taken. Corrective action has been initiated on all incorrect payments of \$10 or more.

We appreciate the courtesy and cooperation extended to us during our examination. Please advise us of any actions taken to reduce the incidence of the types of travel errors discussed in this letter.

Sincerely yours,

W. C. BERGMANN, JR.

Walter C. Bergmann, Jr.
Regional Manager

Enclosure
Appendix

cc: Commandant, U.S. Coast Guard,
Department of Transportation

SUMMARY OF ERRORS FOUND IN
MILITARY TRAVEL VOUCHERS
NINTH COAST GUARD DISTRICT
JULY 1, 1975 THROUGH SEPTEMBER 30, 1976

<u>Type of Error</u>	<u>Number</u>	<u>Overpayment</u>	<u>Underpayment</u>	<u>Total</u>
Dependents' travel - incorrect distance	4	\$135.49	\$ 8.61	\$144.10
Member's travel - incorrect distance	4	22.00	4.96	26.96
Per diem - wrong rate	3	4.00	9.00	13.00
Per diem - not entitled	2	29.00	-	29.00
Per diem - computation error	2	7.40	-	7.40
Dependents travel - wrong mileage rate	1	52.01	-	52.01
Mileage - not paid	1	-	7.96	7.96
Error in amount of voucher deduction - EAS	1	1.46	-	1.46
Totals	<u>18</u>	<u>\$251.36</u>	<u>\$30.13</u>	<u>\$221.23</u>