



UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
2006 WASHINGTON BOULEVARD BUILDING
234 STATE STREET
DETROIT, MICHIGAN 48226

NOV 30 1971

Commanding Officer
U.S.S. SHENANDOAH (AD-26)
FPO New York



Dear Sir:

We have examined pay and travel expenditures made on the Shenandoah in the 6 months ended June 1971, to test the effectiveness of your disbursing activity. Our review was made at the Navy Finance Center, Cleveland.

Using statistical sampling methods, we selected for audit 314 of 886 pay records and 166 of 316 vouchers. We found 112 errors--99 monetary errors totaling \$1,462 and 13 erroneous leave balances. Voucher errors were the most predominant--83 errors on 64 of the 166 vouchers examined.

Projecting our sample findings, we estimate that the unexamined records contain 118 additional errors--90 over and underpayments totaling \$1,601 and 26 inaccurate leave balances. Our error data are summarized in the appendix. The more significant deficiencies are discussed below.

Military travel vouchers

- Sixteen members were paid per diem at an incorrect rate because of a failure to deduct for meals, primarily while in flight. See M1150-4, item 4, and M4254-2, JTR. For examples see vouchers 2903 and 3016.
- Per diem was not paid to five members for the day of arrival at their permanent duty station in accordance with M4205-5c, JTR. See voucher 2809 for example.

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- Six members were paid per diem for periods in excess of allowed constructive travel time contrary to M4204-3, JTR. For examples see vouchers 3069 and 3140.
- Highway rather than common carrier distances were used in computing mileage payments for seven members separated from the service contrary to M4155-1 and M4155-2d, JTR. See vouchers 2918 and 2970 for examples.
- Temporary duty orders were issued to a member attending a 13-week training course and were later amended to provide for two additional courses at the same location, extending the period of temporary duty 30 weeks. When the order was amended, the duty status should have been changed from temporary to permanent and the per diem terminated. See M1150-10b, M4209, JTR, and 3003-2, NFI.

Military pay records

- Thirteen errors in leave accounting resulted in over or understatements of leave balances totaling 28½ days.
- Two members received lump sum leave settlements for the wrong number of days and another was not charged for excess leave at the time of separation.
- A payment made on a special payroll was not posted to the member's pay record.
- The unearned portion of a reenlistment bonus was not recouped when a member was transferred to the retainer rolls.

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The Norfolk onsite examination team found similar deficiencies when they reviewed your accounts in January 1971. While their examination covered vouchers and pay records for the July to December

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1970 period, they also identified a payroll posting error in a January 1971 payroll. This error coupled with the one we found points up the importance of verifications required by paragraphs 40162 and 90537, MPP.

The Navy Finance Center made the accounts available to us prior to completing its administrative examination procedure. Their tests may disclose other deficiencies. Because our review was limited to the vouchers and supporting documents included in the financial returns, we could not pinpoint the causes of the errors. However, our tests indicate that disbursing personnel need to become more familiar with travel and leave regulations.

We recommend you use this report as a basis for inquiring into these matters. In order to assist you, we are enclosing information copies of our notices of exception and informal inquiries. If you need additional information, please let us know. We would appreciate your comments and advice of action taken.

We are sending copies of this letter to the Comptroller of the Navy; Commander, Cruiser Destroyer Force, Atlantic Fleet; Director, Navy Military Pay System; Commanding Officer, Navy Regional Finance Center, Norfolk; and the Director, Norfolk Naval Area Audit Service.

Sincerely yours,

C. H. Moore

C. H. Moore
Regional Manager

Enclosures--2

Appendix

Copies of notices of exception (5)
and informal inquiries (15)

U. S. GENERAL ACCOUNTING OFFICE
DETROIT REGIONAL OFFICE

SUMMARY OF ERRORS

U.S.S. SHERMANGAH (AD-26)
JANUARY 1 THROUGH JUNE 1971

MILITARY PAY RECORDS

<u>Type of error</u>	<u>Number</u>	<u>Overpayment</u>	<u>Underpayment</u>
Leave rations not credited or credited at wrong rate	3	\$ 1.47	\$ 9.12
Sea duty pay--duplicate credit deducted improperly, not deducted for period of shore duty	3	12.80	12.00
Computation errors	3	44.50	
Payroll posting error	1	109.00	
Advance pay not carried forward	1	76.00	
Reenlistment bonus not recouped	1	63.85	
Excess leave--pay and allowances not deducted or deducted for wrong number of days	2	119.06	
Lump sum leave--wrong number of days	2		40.76
Subtotal	<u>16</u>	<u>\$426.68</u>	<u>\$61.88</u>

MILITARY TRAVEL - PERMANENT CHANGE OF STATION

<u>Per diem</u>			
Meals not deducted, improperly deducted, or deducted at wrong rate	19	\$ 76.27	\$ 2.35
Not paid for day of reporting	5		16.35
Not paid while in a travel status and awaiting transportation	3		132.80
Wrong rate	2	5.79	
Not entitled at permanent duty station	1	338.00	
Miscellaneous	3	15.00	2.00
<u>Travel of dependents</u>			
Paid commercial instead of highway mileage	2	\$ 3.18	
Unauthorized point of origin	1	118.08	
Incorrect distance	1	2.52	
Subtotal	<u>37</u>	<u>\$558.84</u>	<u>\$153.50</u>

MILITARY TRAVEL - TEMPORARY ADDITIONAL DUTY

<u>Type of error</u>	<u>Number</u>	<u>Overpayment</u>	<u>Underpayment</u>
<u>Per diem</u>			
In excess of constructive travel time	6	\$ 58.70	
Wrong rate	5	5.38	\$ 18.35
Not paid for return travel	2		30.30
Miscellaneous	4	2.14	5.45
<u>Reimbursable expenses</u>			
No approval for taxi fares	1	\$ 10.00	
Not entitled to taxi fares in a mileage status	3	15.00	
Subtotal	21	\$ 91.22	\$ 54.10

MILITARY TRAVEL - SEPARATION FROM THE SERVICE

Incorrect distances	7	\$ 10.14	\$ 15.72
Unauthorized entitlement point	1	2.46	
Highway distances used instead of common carrier	7		43.28
Subtotal	15	\$ 12.60	\$ 59.00

MISCELLANEOUS VOUCHERS

Training duty

Incorrect distances	4	\$ 11.40	\$ 1.68
Unauthorized entitlement point	1	1.20	
Wrong rate per diem	1	13.45	

Rations commuted to private mess

Reimbursed for periods of absence on leave, TAD or proceed time	3	\$ 15.20	
Computation	1		\$ 1.52
Subtotal	10	\$ 41.25	\$ 3.20
Total monetary errors	99	\$1130.59	\$931.68