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UNITED STATES GENERAL ACCOUNTING OFFICE  
INTERNATIONAL DIVISION  
FAR EAST BRANCH  
1839 KALAKAUA AVENUE  
HONOLULU, HAWAII 96815

DLG017H

Commander, Naval Shipyard  
Pearl Harbor Naval Shipyard  
P. O. Box 400  
FPO San Francisco 96610

Dear Sir:

We have completed our review of civilian payroll practices and procedures at the Pearl Harbor Naval Shipyard, Pearl Harbor, Oahu, Hawaii (PHNS) for the period May 1969 through May 1970.

Our review was directed primarily at determining the propriety of salary rates and the effectiveness of time and attendance reporting procedures and controls. In our review, we considered the reviews performed during the period March - May 1969 by the Naval Area Audit Service and on a continuing basis by the PHNS Internal Review Division, Comptroller Department.

We found that the payroll practices and procedures were generally adequate, although certain minor problems were noted. These included (1) the overpayment of \$11.20 to one employee because of an inaccurate computation of retroactive pay, (2) the questionable practice of precertification of time cards, (3) the inability to locate signature cards of all certifying officers, and (4) various matters relating to the practices and procedures for clocking in and out.

In addition, we noted that the last comprehensive review of civilian pay and timekeeping functions performed by the Internal Review Division was completed in June 1968. According to BUSHIPS Instruction 7540.1 dated March 18, 1966, a review of civilian timekeeping and payroll functions will be performed at least annually. We were informed that a shortage of staff had prohibited the shipyard from accomplishing these reviews on an annual basis.

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These problems were discussed with the Comptroller and his staff, and we were advised that corrective action had been or would be taken.

A copy of this report is being sent to the Director, Naval Area Audit Service, for his information. An additional copy of this report is furnished for enclosure with the audited records when they are shipped to the Federal Records Center for permanent filing.

We wish to acknowledge the courtesies and cooperation extended to our representatives during our audit.

Sincerely yours,

  
C. Roman  
for Director

cc:  
Director, Naval Area Audit Service  
San Diego, California