

DECISION

**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

51064

FILE: B-61937

DATE: SEP 29 1975

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MATTER OF: Recertification of dependency certificates -
Military Pay and Allowance Committee Action
No. 516

DIGEST: In view of the reasonable assurance that changes in dependency status for payment of basic allowance for quarters do not go undetected under the Joint Uniform Military Pay System, the annual recertification of dependency certificates prescribed in 51 Comp. Gen. 231 (1971), as they relate to Marine Corps, Navy, and Air Force members, no longer will be required, provided that adequate levels of internal audit are maintained.

This action is in response to letter dated February 12, 1975, from the Assistant Secretary of Defense (Comptroller), requesting authorization of the discontinuance of the requirement for annual recertification of primary dependents by Marine Corps, Navy, and Air Force members receiving basic allowance for quarters (BAQ) at the with dependent rate. The request was assigned Department of Defense Military Pay and Allowance Committee Action No. 516, a copy of which was enclosed with the Assistant Secretary's letter.

The discussion in the Committee Action referred to our decision B-61937, dated August 6, 1974 (54 Comp. Gen. 92) which held that in view of the Army procedures for recertifying and verifying dependency for payment of BAQ under the Joint Uniform Military Pay System (JUMPS), the annual recertification of dependency certificates prescribed by 51 Comp. Gen. 231 (1971), as they relate to Army members' primary dependents, no longer would be required. The Committee Action discussion states that the Marine Corps, Navy, and Air Force Joint Uniform Military Pay Systems contain similar procedures that will provide reasonable assurance that changes in dependency status do not go undetected.

The Marine Corps justification enclosed with the Committee Action indicates that Marine Corps JUMPS continuously audits all field records to insure agreement with the control-site master record. Further, a Leave and Earnings Statement (LES) prepared at and distributed by the Marine Corps Finance Center, Kansas City, Missouri, for every Marine on a monthly basis contains

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personnel and pay data, including BAQ which must be audited upon receipt by the cognizant disbursing officer and commanding officer to insure that all displayed data is correct. In addition, a Visual Audit Sheet (VAS) is produced annually during the member's month of birth and on the occasion of each permanent change of station. This computer generated document is also required to be audited by the disbursing officer and commanding officer. In this regard, the member concerned is personally queried as to the correctness of all information contained on the VAS, including BAQ, and must certify the correctness of all displayed data. As a result, the Marine Corps believes that the numerous audits and controls built into their JUMPS provide sufficient assurance that any discrepancies in the payment of BAQ will be detected early. The justification concludes by stating that the annual recertification and monthly/annual audit requirements are a duplication of effort and are not cost-effective.

The Navy justification indicates that their segmental approach to JUMPS currently provides assurance that any changes in dependency which have been overlooked or unreported for other reasons will be detected in a timely manner without the requirement for an annual recertification of dependency. Such assurance is based on: (a) monthly LES verification by the member and his disbursing officer of BAQ entitlement; (b) recurring verification by personnel/administrative/d disbursing officers (1) upon reporting to a new duty station, (2) upon return from deployment, (3) upon application for dependent's Identification and Privilege (ID) card, (4) upon payment of dependent's travel claim, (5) upon issue of transportation requests to dependent, (6) upon application for Government housing; and (c) annual recertification of secondary dependents by the Navy Family Allowance activity. Thus, as in the case of the Marine Corps, the Navy believes that the present regular and frequent intermittent verification of primary dependents make annual recertification a duplicative and unnecessary effort and not cost-effective.

The Air Force justification indicates that JUMPS-Air Force has a "shred-out" program comparable to the Army for verifying a member's entitlement to BAQ at the with dependent rate (BAQ-W). It is stated that quarters assignments are verified by sending a management notice (listing members assigned to adequate and inadequate Government quarters) to the servicing Accounting and Finance Officer (AFO) in April and October of each year. The AFO, in turn,

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compares this listing with the listing submitted by the Base Housing Officer to the AFO each April and October. If discrepancies are discovered, the AFO submits BAQ adjustment transactions to the Air Force Accounting and Finance Center. The Air Force notifies each member annually, staggered throughout the year, via an entry on the member's LES of the requirement for him to recertify his primary dependents in order to continue BAQ-W entitlement. A member's failure to respond to that request is the basis for administrative discontinuance of BAQ entitlement. Since experience has shown that Air Force members remain at the same installation for periods in excess of 24 months, Air Force recertification policy would concentrate on: (a) continued semiannual comparison of members assigned Government quarters with members in receipt of BAQ-W, and (b) establishment of the requirement for all members in receipt of BAQ-W to recertify their primary dependents at least every two years and/or upon the member's departure from his duty station. Thus, the Air Force believes the existing degree of control, including semiannual and annual verifications, designed for early detection of BAQ discrepancies, also make annual recertification a duplication of effort and not cost-effective.

It appears that the Marine Corps and Navy systems of audits and controls and intermittent verifications, as well as the Air Force "shred-out" program to verify entitlements, under JUMPS would provide reasonable assurance that changes in dependency status for payment of BAQ do not go undetected.

Accordingly, we have no objection to the discontinuance of the requirement for annual recertification of primary dependents by Marine Corps, Navy, and Air Force under the procedures outlined in Committee Action No. 516.

Approval of this proposal is contingent upon an understanding that the services establish and maintain adequate levels of internal audit to assure the legality, propriety and correctness of all disbursements for BAQ. In this regard, it is our view that the internal audit function should be separate from the procedures discussed in the Committee Action and in addition to any controls that have been built into the JUMPS currently in operation or under development by the services. It should, instead, be designed to evaluate the effectiveness of these procedures and controls.

R.F. KELLER

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