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United States  
General Accounting Office  
Washington, D.C. 20548

Accounting and Financial  
Management Division

B-248717



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August 19, 1992

Colonel Kent D. Menser, USA  
Commander  
U.S. Army Garrison  
Fort George G. Meade, MD 20755-5000

Dear Colonel Menser:

We recently completed an audit of the Department of the Army's fiscal year 1991 consolidated financial statements pursuant to the Chief Financial Officers Act of 1990 (Public Law 101-576). One purpose of these statements and our audit is to provide agency managers and the Congress with complete and reliable information to use in financing, managing, and evaluating Army programs. In order to do this effectively, the accounting records throughout the Army need to be as accurate as possible. During our audit, we identified adjustments necessary to correct the accounting records at 23 Army locations.

We presented adjustments to correct the Army's consolidated financial statements in a May 19, 1992, management letter (GAO/AFMD-92-68ML) to the Assistant Secretary of the Army for Financial Management and the Director, Defense Finance and Accounting Service. However, many of these adjustments were projections based upon statistical samples performed as part of our audit and were made only to the consolidated financial statements, not to the underlying records.

Enclosure I shows about \$325 million of adjustments made to the financial statements that also need to be recorded to correct the accounting records at Fort Meade. We have discussed most of these adjustments with your staff and provided them with supporting documentation. They may have already recorded some of the adjustments. However, all of the adjustments should be made by the end of fiscal year 1992. If you have any questions or require our assistance in resolving these matters, please contact Terry Carnahan, Acting Associate Director, on (202) 275-7095.

Please provide us your comments on these matters and a description of the actions taken within 30 days of the date

GAO/AFMD-92-97ML

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of this letter. We are sending copies of this letter to the Assistant Secretary of the Army for Financial Management; the Director, Defense Finance and Accounting Service; and the Comptroller of the Army.

Sincerely yours,



David M. Connor  
Director, Defense Financial Audits

Enclosure

FORT GEORGE G. MEADE, MARYLAND  
LIST OF PROPOSED GENERAL LEDGER  
ADJUSTMENTS RESULTING FROM 1991  
FINANCIAL STATEMENT AUDIT

NO.	ACCOUNT TO BE ADJUSTED	GLAC	AMOUNTS		EXPLANATION
			DEBIT	CREDIT	
1	Transfers in Equipment in use	3220 1762	2,238,419.71	2,238,419.71	To adjust for equipment reported by US Army Intelligence & Security Command which had a value less than \$5000.
2	Transfers in Equipment in use	3220 1762	263,255,499.13	263,255,499.13	To decrease Ft. Meade's general ledger which is overstated since equipment (157th SIB) was reported on both CBS-X and the general ledger.
3	Transfers in Equipment in use	3220 1762	911,787.80	911,787.80	To adjust for equipment in the hands of contractors which was recorded also as equipment in use.
4	Transfers in Equipment w/ contractors	3220 1763	12,635.44	12,635.44	To adjust for equipment in the hands of contractors which was overstated.
5	Equipment w/ contractors Equipment in use	1763 1762	169,759.00	169,759.00	To adjust for equipment in the hands of contractors incorrectly recorded as equipment in use.
6	Transfers in Equipment in use	3220 1762	444.00	444.00	To correct overstatement of value of equipment in use.
7	Equipment in use Transfers in	1762 3220	5,031,906.20	5,031,906.20	To record equipment for Ft. Meade's Dir. of Engineering & Housing which was not previously reported.
8	Equipment in use Transfers in	1762 3220	329,349.90	329,349.90	To record equipment for Charles E. Kelly support facility which was not previously reported.
9	Equipment in use Transfers in	1762 3220	4,753,885.00	4,753,885.00	To record equipment for Ft. AP Hill which was not previously reported.
10	Equipment in use Transfers in	1762 3220	17,000.00	17,000.00	To record equipment for Inventory Management for Intelligence Materiel Activity which was not previously reported.
11	Equipment in use Transfers in	1762 3220	492,000.00	492,000.00	To record equipment for US Claims Service which was not previously reported.
12	Transfers in Equipment in use	3220 1762	2,132,256.48	2,132,256.48	To correct leased equipment recorded as equipment in use.
13	Equipment in use Transfers in	1762 3220	31,185.38	31,185.38	To correct incorrect value recorded as equipment in use
14	Transfers to others Accrued annual leave	3231 2221.00	5,700.32	5,700.32	To adjust the balance in accrued annual leave to the balance shown in STARCIPS Report AVA200 as of the pay period ending 9/21/91.
15	Accrued payroll Personnel Comp.-civilian	2211 6111.00	103,000.00	103,000.00	To adjust accrued payroll for the amount exceeding obligated funds.

FORT GEORGE G. MEADE, MARYLAND  
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NO. ACCOUNT TO BE ADJUSTED	GLAC	AMOUNTS		EXPLANATION
		DEBIT	CREDIT	
16 Land	1710	21,100.00		To correct calculation errors.
Transfers in	3220	43,392,797.00		
Leaseholds	1820	1,812,300.00		
Buildings	1730		42,225,400.00	
Other structures	1740		3,000,797.00	
17 Buildings	1730	45,650.00		To increase real property accounts for minor construction not recorded.
Other structures	1740	240,442.00		
Transfers in	3220		286,092.00	
TOTAL ADJUSTMENTS		324,997,117.36	324,997,117.36	

Note: General ledger accounts 3220 and 3231 (transfers) are equity accounts.