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

NOV 24 1972

Commander  
Long Beach Naval Shipyard  
Long Beach, California

DLG 00 236

Dear Sir:

We recently made a follow-up review to determine if the corrective action promised by your supply personnel during our January 1972 audit of imprest funds was effective. Substantial improvements were evident in three of the five problem areas we had identified.

In our January audit at your shipyard, we noted several questionable practices employed by officials involved with imprest fund operations. These included:

- supply personnel splitting orders to circumvent the \$250 limit on imprest fund purchases,
- cashier accepting altered invoices and adjusting invoices to agree with purchase requisitions,
- cashier receiving and signing for deliveries for which he makes payments,
- requisitioning personnel defeating the priority system for emergency purchases through the imprest fund by assigning high priorities on numerous non-emergency items (176 emergency buys totaling \$31,000 in October 1971), and
- supply personnel accepting unsigned requisitions.

To evaluate the action taken to overcome these matters, we examined three of the shipyard's 14 imprest fund reimbursement vouchers submitted during April.

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This time our review was confined to information available to us at the Navy Finance Center, Cleveland.

Our review of the 92 transactions in the three vouchers indicate substantial improvements in the first three problem areas. None of the 92 transactions involved split purchase orders, altered invoices, or acceptance of material by the cashier. We are pleased with the corrective action taken.

Unfortunately, with the limited information available to us in Cleveland, we were unable to evaluate actions taken to improve the latter two practices. We noted, however, that many emergency purchases are still being made -- 113 such purchases totaling \$19,500 in the April imprest fund vouchers.

We would appreciate your comments on actions taken and results achieved.

Sincerely yours,

C. H. MOORE

C. H. Moore  
Regional Manager

cc: Comptroller of the Navy  
Commanding Officer, Navy Regional  
Finance Center, San Diego  
Director, Naval Area Audit Service,  
San Diego  
Officer in Charge, Navy Finance  
Office, Long Beach

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