

089324



UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
ROOM 204, 161 PEACHTREE STREET, N.E.
ATLANTA, GEORGIA 30303



Mr. G. R. Hiskey
Center Director
Veterans Administration Center
Mountain Home
Johnson City, Tennessee 37684

APR 29 1971

Dear Mr. Hiskey:

We have reviewed selected administrative operations and related financial transactions at the Veterans Administration Center, Mountain Home, Johnson City, Tennessee. The review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Our review, which was completed in March 1971, was directed principally to procedures and internal controls relative to budgetary accounting and collections and disbursements, and included such tests as we deemed appropriate. The program operations of the various operating services were not included in this review. In the review, we considered the audit report dated September 11, 1970, and working papers prepared by the Office of Management and Evaluation on its audit of the Center's finance functions.

While our review disclosed that administrative procedures and internal controls were generally satisfactory, we noted certain deficiencies on which corrective action was initiated during our review. The deficiencies which were discussed with you and members of your staff during our closeout meeting are as follows:

1. Fiscal year 1970 appropriation was overcharged and fiscal year 1971 appropriation was undercharged a total of about \$890 for personal services performed under the incentive therapy program. 31 U.S.C. 628a; MP-4, part V, change 97, January 7, 1970.
2. Fiscal year 1970 appropriation was overcharged and fiscal year 1971 appropriation was undercharged a total of about \$70 for truck rental. 31 U.S.C. 628a.

~~944367~~

089324

3. Increases in earnings limitations for two consultants and attending physicians were not documented. MP-5, part II, chapter 2, change 10, appendix 2B, February 20, 1968.

In accordance with 8 GAO 13.2, the records of financial transactions through June 30, 1970, may be transmitted to the Federal Records Center for storage in accordance with your records management program.

Copies of this report are being forwarded to the Chief Medical Director, Department of Medicine and Surgery, the Controller, Veterans Administration, and the Director, Internal Audit Service, Office of Management and Evaluation.

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

Very truly yours,

R. J. Madison
Regional Manager