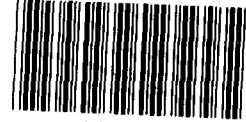




United States
General Accounting Office
Washington, D.C. 20548

Accounting and Financial
Management Division

B-248717



147418

August 17, 1992

Lieutenant General Johnnie H. Corns, USA
Commander, U.S. Army Pacific
Fort Shafter, HI 96858-5100

Dear General Corns:

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 to the consolidated financial statements, not to the underlying records.

Enclosure I shows about \$1.5 million of adjustments made to the financial statements that also need to be recorded to correct the accounting records at Fort Shafter. We have discussed 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 of this letter. We are sending copies of this letter to the

GAO/AFMD-92-96ML

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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

cc: CDR USARPAC (APIR)
CDR USASCH (APZV-IR)

FORT SHAFTER, HAWAII
 LIST OF PROPOSED GENERAL LEDGER
 ADJUSTMENTS RESULTING FROM 1991
 FINANCIAL STATEMENT AUDIT

| NO. | ACCOUNT TO BE ADJUSTED | GLAC | AMOUNTS | | EXPLANATION |
|-------------------|---------------------------|------|--------------|--------------|---|
| | | | DEBIT | CREDIT | |
| 1 | Equipment in use | 1762 | 79,261.00 | | To adjust for equipment on the Training Support Center property book for FY91 which was not reported to the Finance and Accounting Office. |
| | Transfers in | 3220 | | 79,261.00 | |
| 2 | Refunds Receivable-Public | 1316 | 37,685.77 | | To correct for educational refunds due to the government which were erroneously recorded as Accounts Receivable-Public-Current rather than Refunds Receivable-Public. |
| | A/R - Public - Current | 1313 | | 37,685.77 | |
| 3 | Accrued pay-Fringe Benfts | 2213 | 1,345,095.30 | | To correct the accrued fringe benefits. |
| | Personnel benefits-civ. | 6113 | | 1,345,095.30 | |
| TOTAL ADJUSTMENTS | | | 1,462,042.07 | 1,462,042.07 | |

Note: General ledger account 3220 (transfers in) is an equity account.