



089347

UNITED STATES GENERAL ACCOUNTING OFFICE
DALLAS REGIONAL OFFICE
ROOM 500, 1512 COMMERCE STREET
DALLAS, TEXAS 75201

Mr Kenneth J O'Brien, Director
Veterans Administration Hospital
300 East Roosevelt Road
Little Rock, Arkansas 72206

Dear Mr O'Brien:

We have made a review for the settlement of accounts of accountable officers of the Veterans Administration (VA) Hospital, Little Rock, Arkansas, through June 30, 1970. Our 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, completed in December 1970, was directed primarily toward evaluating current administrative procedures and internal controls related to receipts and disbursements, including payrolls, and included such tests of financial transactions as we considered appropriate. We also reviewed the report and working papers covering the audit by VA Controller Auditors of finance functions for the period April 19, 1966 through September 2, 1968. We also reviewed reports of internal audits made by the Hospital's budget analyst for the period January 1, 1969 through November 16, 1970. Program operations were not included in our review.

We found that procedures and controls in areas reviewed were generally adequate and selected transactions were processed in a generally satisfactory manner. However, we did note four matters in need of improvement which were discussed with you and members of your staff. Two of these involved relatively minor overpayments and another involved a minor underpayment. Corrective action was initiated on these three matters during our visit. In addition, we found that 8 of the 36 service computation dates we checked for selected employees were in error, this amounted to an error rate in excess of 22 percent. Pursuant to our request, you have agreed to have service computation dates for all hospital employees reviewed before July 1, 1971 and to report the results of your review to this office.

9/14/76

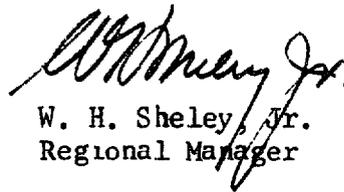
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We acknowledge the courtesies and cooperation given our representatives during the review

In accordance with GAO Policy and Procedures Manual for Guidance of Federal Agencies (8 GAO 13), the records of financial transactions through June 30, 1970, may be transferred to the Federal Records Center for storage in accordance with your agency's records management program

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

Sincerely yours,



W. H. Sheley, Jr.
Regional Manager