



UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE

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SEP 25 1975

Captain Harry H. Arnold
Director, Military Pay Systems Division
Navy Accounting and Finance Center
Washington, D. C.

Dear Captain Arnold:

As part of our continuing review of the Navy's financial management system, we have examined selected disbursing accounts to test the accuracy of payments of quarters allowances (BAQ) to single career members when they change duty stations.

Public Law 90-207, dated December 16, 1967, authorizes payment of BAQ to single career members during periods of leave, travel time, proceed time and temporary duty en route under change of station orders unless quarters are assigned. The law was enacted to provide equal treatment for married and single members and was implemented by paragraph 30211 of the Department of Defense Military Pay and Allowances Entitlements Manual.

We detected problems in the administration of the entitlement in our audits of disbursing officer's accounts and reviews of recent Navy on-site administrative examination reports. Our findings indicate many members may not be receiving the allowance.

We tested the pay accounts of 125 single members who performed temporary duty en route between duty stations in fiscal year 1974. Our sample included the pay accounts of 71 members who were on temporary duty fitting out four ships and 54 members who attended training courses. As shown in the appendix, 71 of the 125 members were not paid BAQ for all or part of the period of their entitlement. In the pay accounts of the 71 members we found 101 underpayments totaling \$9,006.

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We could not determine the cause(s) of the deficiencies. However, the rate and type of errors indicate field personnel are not aware of or do not understand the implementing regulation.

We believe most errors of this type now go undetected in the administrative examination because only the on-site examiners compare pay with travel documents -- and then only on a limited sampling basis. The central examiners do not normally make such comparisons. The problem will continue when the pay system is automated under JUMPS unless field personnel have a better understanding of regulations and provide accurate input into the system.

We suggest you look into this matter and take whatever corrective action is necessary. We would appreciate you advising us of any action taken.

If you would like additional details, please let us know.

Sincerely yours,
W. C. Herrmann, Jr.

Walter C. Herrmann, Jr.
Regional Manager

Enclosure
Appendix

cc: Comptroller of the Navy (NCD-3)
Director, Naval Audit Service
Headquarters

APPENDIX

SUMMARY OF ERRORS

<u>Disbursing Office</u>	<u>Number of pay accounts examined</u>	<u>Number of pay accounts with errors</u>	<u>Total number of errors</u>	<u>Amounts underpaid</u>
USS Capodanno	16	13	21	\$2,093
USS Kalamazoo	13	8	9	246
USS W. Pratt	21	14	17	2,157
USS California	21	21	34	2,698
Various	<u>54</u>	<u>15</u>	<u>20</u>	<u>1,812</u>
Totals	<u>125</u>	<u>71</u>	^a <u>101</u>	<u>\$9,006</u>

Error rate - 56.8 percent

^a Sixty nine of the errors involved nonpayment of BAQ while members were on leave, on proceed time, or in a leave status and 32 errors involved nonpayment while members were performing temporary duty at locations where government quarters were not assigned.