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

OCT 27 1972

Commanding Officer
U.S.S. HANSON (DD-832)
FPO San Francisco

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Dear Sir:

Our review of financial transactions in the accounts of the U.S.S. HANSON for the 6 months ended December 31, 1971, disclosed numerous errors in pay records and vouchers, resulting in overpayments and underpayments to crew members and improper leave balances.

The most significant problem appears to be in posting and verifying payroll payments. We found two payments incorrectly posted to pay records -- a \$288 payment recorded as \$282 and a \$313 payment recorded as \$194. Both were made on a regular July payroll. Also, none of the special payrolls for the 6-month period contained signatures evidencing re-verification and sight verification, required by paragraph 40162f, MPP.

In October 1971, onsite examiners from the San Diego Navy Regional Finance Center reported three other special payroll payments were not posted. The examiners were subsequently told written procedures for posting and verifying payroll payments had been prepared as recommended. We believe follow-up action is needed as the procedures apparently are not being followed.

Our findings, summarized in the appendix, also indicate a need for increased proficiency in preparing and paying travel claims -- over 60 percent of the military travel vouchers examined had one or more errors. The most common error types included:

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- using wrong rates in computing per diem
- failing to pay per diem to servicemen en route between stations
- allowing per diem while in a non-travel status
- computing per diem incorrectly
- using incorrect distances in determining mileage payments
- paying mileage not authorized by regulations

We were unable to pinpoint responsibility or determine causes of errors since our review was limited to records available at the Navy Finance Center in Cleveland. However, most of the errors are those which normally are attributed to disbursing offices. Such errors can be kept to a minimum by more careful performance of routine tasks and adequate supervisory review.

We are bringing this information to your attention so you can take action to preclude future errors. To assist you, we are enclosing information copies of our informal inquiries. We would appreciate your comments on the causes and actions taken. Please let us know if you need additional information.

Sincerely yours,

J. A. DOWELL
For C. H. Moore
Regional Manager

Enclosures--2
Appendix
Copies of informal inquiries (24)

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cc. Comptroller of the Navy
Commander, Cruiser Destroyer Force, Pacific Fleet
Director, Navy Military Pay System
Commanding Officer, Navy Finance Center, Cleveland
Commanding Officer, Navy Regional Finance Center, San Diego
Director, Naval Area Audit Service, San Diego

U. S. GENERAL ACCOUNTING OFFICE
DETROIT REGIONAL OFFICE

U.S.S. HANSON (DD-832)
JULY 1 THROUGH DECEMBER 31, 1971

TYPE OF RECORD	EXTENT OF ERRORS			RECORDS WITH ERRORS	
	TOTAL	REVIEWED	ERRORS	NUMBER	PERCENT
Military travel vouchers	88	62	53	39	63
Miscellaneous vouchers	14	14	6	6	43
Military pay records	279	140	29	23	16
Totals	381	216	88	68	31

SUMMARY OF ERRORS

TYPE OF ERROR	NUMBER	OVERPAYMENT	UNDERPAYMENT
<u>MILITARY TRAVEL VOUCHERS</u>			
<u>Per Diem</u>			
Wrong rate	12		\$ 67.89
Not paid while en route between stations	8		46.51
Not entitled - transferred between ships at same place, in mileage status, at permanent duty station or on leave	6	\$347.95 ^a	
Computation	5		20.55
Constructive travel	5	1.40	7.50
Meals - deductions	2		3.85
<u>Mileage</u>			
Distance computed from wrong port	4	38.46	
Incorrect distance - highway instead of common carrier distance	3		9.72

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^aTwo pay adjustment authorizations totaling \$242 were previously issued

<u>TYPE OF ERROR</u>	<u>NUMBER</u>	<u>OVERPAYMENT</u>	<u>UNDERPAYMENT</u>
<u>MILITARY TRAVEL VOUCHERS (Continued)</u>			
<u>Mileage (Continued)</u>			
Not entitled - enlistment extended for less than 2 years or in leave status	2	\$153.96	
Not paid on change of station	1		\$176.28
Computation	1	1.00	
<u>Other</u>			
Unauthorized mileage between lodging and temporary duty station	3	\$4.80	
Not reimbursed for cost of government quarters	1		4.40
Subtotal	53	\$577.57	\$336.70
<u>MISCELLANEOUS VOUCHERS</u>			
<u>Training Duty</u>			
Mileage - incorrect distance	3		\$ 15.24
<u>Rations Computed to Private Mess</u>			
Included period of leave	2	\$ 7.60	
Erroneous computation	1		66.92
Subtotal	6	\$ 7.60	\$ 82.16
<u>MILITARY PAY RECORDS</u>			
<u>Pay and Allowances</u>			
Incorrect computation	3	\$116.10	
Leave rations - duplicate credit, not credited or concurrent with commuted rations	3	59.28	\$ 45.60

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<u>TYPE OF ERROR</u>	<u>NUMBER</u>	<u>OVERPAYMENT</u>	<u>UNDERPAYMENT</u>
<u>MILITARY PAY RECORDS (Continued)</u>			
<u>Pay and Allowances (Continued)</u>			
Sea duty pay - erroneous deduction	2	\$ 2.55	\$ 3.47
Clothing allowance - paid prior to entitlement or deducted in error	2	10.35	35.60
Payroll - incorrectly posted	2	125.00	
Quarters allowance - not credited	1		28.40
Subtotal	11	\$118.30	\$118.15
Total monetary errors	72	\$898.52	\$582.01

		<u>OVERSTATED</u>	<u>UNDERSTATED</u>
<u>Leave Accounting</u>			
Balance computed incorrectly	12	38 days	52 1/2 days
Leave not recorded	2	35 days	
Leave used computed incorrectly	2	1 day	2 days
Total leave errors	16	53 days	54 1/2 days
Total all errors	88		

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