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

Accounting and Financial  
Management Division

B-248717

August 17, 1992



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Colonel Stanley E. Thomas, USA  
Commander  
United States Army Garrison  
Fort Sam Houston, TX 78234

Dear Colonel Thomas:

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

Enclosure I shows an adjustment for about \$18.4 million made to the financial statements that also needs to be recorded to correct the accounting records at Fort Sam Houston. We have discussed this adjustment with your staff and provided them with supporting documentation. They may have already recorded the adjustment. However, the adjustment should be made by the end of fiscal year 1992. If you have any questions or require our assistance in resolving this matter, please contact Terry Carnahan, Acting Associate Director, on (202) 275-7095.

Please provide us your comments on this matter and a description of the action taken within 30 days of the date

GAO/AFMD-92-95ML

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B-248717

of this letter. We are sending copies of this letter to the 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

FORT SAM HOUSTON, TEXAS  
LIST OF PROPOSED GENERAL LEDGER  
ADJUSTMENTS RESULTING FROM 1991  
FINANCIAL STATEMENT AUDIT

NO. ACCOUNT TO BE ADJUSTED	GLAC	AMOUNTS		EXPLANATION
		DEBIT	CREDIT	
1 Transfers in	3220	18,431,330.00		To adjust for (1) property books submitted with total value rather than only equipment over \$5000, (2) property book not reported, and (3) a property book which reported only unfunded Table of Distribution and Allowances equipment did not update for Army Master Data File prices, did not include a decontamination trailer, and did not include two towed mowers received 9/19/91.
Equipment in use	1762		18,431,330.00	

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