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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
143 FEDERAL OFFICE BUILDING, 50 FULTON STREET
SAN FRANCISCO, CALIFORNIA 94102

IN REPLY REFER TO:

84825

MAY 17 1971

Commanding General
Headquarters, U. S. Army Training Center,
Infantry and Fort Ord
Fort Ord, California 93941



Dear Sir:

We have made a review of the civilian pay and related matters at the U. S. Army Training Center, Infantry and Fort Ord. This review, completed in April 1971, 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 consisted of an examination of the policies, procedures and practices for the administration of civilian pay at Fort Ord and a limited test of transactions. Special emphasis was placed on the following areas: (1) Internal Control, (2) Internal Review, (3) Within-grade Increases, (4) Salary Act of 1970, (5) Coordinated Federal Wage System, and (6) Severance Pay.

While we found that the procedures, practices and internal controls were adequate, we noted a number of minor discrepancies which indicated that the independent review functions within the Civilian Personnel and the Civilian Payroll Offices were not effective in specific instances as illustrated below:

1. One former Fort Ord employee was underpaid about \$7, because the Civilian Personnel Office used the wrong salary rate to compute the severance pay fund.
2. Five former Fort Ord employees received the final severance payment (remaining balance) at the beginning rather than the end of the severance pay period, because the Civilian Payroll misinterpreted the remarks on the separating personnel action. Errors, involving both overpayments and underpayments, in the pay of four of the five employees totaled about \$253, because they were re-employed by the Federal government prior to exhausting their severance pay benefits.

089318

Commanding General
Fort Ord

- 2 -

3. One former Fort Ord employee was overpaid about \$496 because: (a) Civilian Personnel used the wrong salary rate to compute the severance pay fund, and (b) Civilian Payroll was not notified on a timely basis that this employee had been re-employed. Although the Civilian Payroll started the collection action in November 1970, the amount of the overpayment was understated by about \$9. We were informed that there has been no follow-up on this collection action because of an apparent administrative oversight.
4. Errors involving both over and underpayments, in the pay of 12 of 35 employees, receiving special salary rates, totaled about \$21. These discrepancies occurred when Civilian Payroll used incorrect hourly rates for computing the 1970 retroactive pay.

We also noted that although governing regulations assigned the responsibility for reviewing potential problem areas to the Internal Review Division, no review or survey has been made in the civilian pay area. We believe major changes such as the initiation of severance pay, retroactive pay increases, wage system changes usually results in problems. Such major changes should be reviewed as they occur.

The above matters were discussed with appropriate members at the working level and summarized at an exit conference with members of your staff on April 16, 1971.

We would appreciate being advised of the action taken or planned on the matters discussed in this report. We wish to acknowledge the cooperation and courtesies extended to our representatives during the review. A copy of this report is being sent to the District Manager, Western District, U. S. Army Audit Agency.

Very truly yours,



A. M. Clavelli
Regional Manager