



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

APR 3 1972

Commanding Officer
U.S.S. NEWMAN K. PERRY (DD-883)
FPO New York

Dear Sir:

We have examined selected financial transactions in the accounts of the U.S.S. NEWMAN K. PERRY for the 6 months ended June 30, 1971. This work, a part of our continuing review of the Navy's financial management system, was done by our staff at the Navy Finance Center, Cleveland.

We examined 145 of 284 military pay records, 17 military travel vouchers and 25 miscellaneous pay and allowance vouchers. We found 29 monetary errors, seven leave accounting errors, and two errors in reporting taxable income. Eleven percent of the pay records, 71 percent of the travel vouchers, and 28 percent of the miscellaneous vouchers had one or more errors. Our findings are summarized in the appendix.

Payroll posting and verification procedures and leave accounting appear to be the significant problem areas. In our statistics you will note a \$353 payment was not posted to a member's pay record. This was made on a regular payroll and is considered a serious deficiency. In addition, none of the special payrolls contained signatures evidencing verification as required by paragraph 40162f, MPP.

Reports issued by the Brooklyn onsite examiners show that leave accounting has been a continuing problem on the PERRY--attributed primarily to failure of the personnel office to send the disbursing office the required leave documents. Only one of the leave accounting errors we found could have been caused by the personnel office. The remaining six were disbursing office errors--four leave record balances and two leave accruals were incorrectly computed. We recommend you inquire into these matters.

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We would appreciate your comments on the causes of these errors and advice of action taken. To assist you, we are enclosing information copies of our notices of exception and informal inquiries. If you need additional information, please let us know.

We are sending copies of this letter to the Comptroller of the Navy; Commander, Cruiser Destroyer Force, Atlantic Fleet; Director, Navy Military Pay System; Officer in Charge, Navy Finance Office, Brooklyn; and the Director, Boston Naval Area Audit Service.

Sincerely yours,

C. H. Moore

C. H. Moore
Regional Manager

Enclosures--2

Appendix

Copies of Notices of exception (3)
and informal inquiries (10)

U. S. GENERAL ACCOUNTING OFFICE
DETROIT REGIONAL OFFICE

SUMMARY OF ERRORS
U.S.S. NEWMAN K. PERRY (DD-883)
JANUARY 1 THROUGH JUNE 30, 1971

<u>Type of Error</u>	<u>Number</u>	<u>Overpayment</u>	<u>Underpayment</u>
<u>Military travel vouchers</u>			
Mileage - highway distance instead of common carrier (and vice versa)	6	\$ 3.36	\$ 25.80
Mileage - wrong port of debarkation	1	2.88	
Mileage - incorrect distance	1		1.92
Per diem - prior to assignment to first permanent duty station	1	14.00	
Per diem incorrectly computed - constructive travel	1	2.95	
Per diem - deduction for meals at wrong rate	1	1.50	
Dependents travel - monetary allowance for children not paid	<u>1</u>	<u> </u>	<u>13.80</u>
Subtotal	<u>12</u>	\$ <u>24.69</u>	\$ <u>41.52</u>
<u>Miscellaneous vouchers</u>			
Wrong rate for meals - shore patrol	3	\$ 40.48	
Rations commuted to private mess - on leave	3	19.76	
Rations commuted to private mess - wrong number of days	<u>1</u>	<u> </u>	\$ <u>1.39</u>
Subtotal	<u>7</u>	\$ <u>60.24</u>	\$ <u>1.39</u>
<u>Military pay records</u>			
Quarters allowance not paid members without dependents on change of station	4		\$ 152.56
Payroll payment not posted	1	\$ 353.00	
Reenlistment bonus - wrong rate	1	100.80	
Commutated rations - on leave	1	16.72	
Pay and allowances - unauthorized absence	1	21.55	
Miscellaneous	<u>2</u>	<u> </u>	<u>15.80^a</u>
Subtotal	<u>10</u>	\$ <u>492.07</u>	\$ <u>168.36</u>
Total monetary errors	<u>29</u>	\$ <u>577.00</u>	\$ <u>211.27</u>

^aPAA for \$14.84 issued by NFC, Cleveland, for credit of FICA overcheckage.

<u>Type of Error</u>	<u>Number</u>	<u>Overstated</u>	<u>Understated</u>
<u>Military pay records (continued)</u>			
Leave accounting:			
Balance computed incorrectly	4	14 days	17 days
Credited incorrectly	2	4.5 days	
Not charged	<u>1</u>	<u>1 day</u>	
Total leave errors	<u>7</u>	<u>19.5 days</u>	<u>17 days</u>
Tax reporting:			
Taxable income computed incorrectly	1		
FICA - forfeiture of pay not deducted	<u>1</u>		
Total tax errors	<u>2</u>		
Total all errors	<u>38</u>		