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GAO

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

Accounting and Financial
Management Division

B-248717

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August 20, 1992

Major General David A. Braumlett, USA
Commander, APVR-CG
6th Infantry Division (L)
Fort Wainwright, AK 99703

Dear General Braumlett:

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 about $11.1 million of adjustments made to the financial statements that also need to be recorded to correct the accounting records at Fort Richardson. We have discussed most of these adjustments with your staff and provided them with supporting documentation. They may have already recorded some of the adjustments. However, all of the adjustments should be made by the end of fiscal year 1992. If you have any questions or require our assistance in resolving these matters, please contact Terry Carnahan, Acting Associate Director, on (202) 275-7095.

Please provide us your comments on these matters and a description of the actions taken within 30 days of the date

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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 RICHARDSON, ALASKA
LIST OF PROPOSED GENERAL LEDGER
ADJUSTMENTS RESULTING FROM 1991
FINANCIAL STATEMENT AUDIT

ENCLOSURE I

NO.	ACCOUNT TO BE ADJUSTED	GLAC	AMOUNTS DEBIT	AMOUNTS CREDIT	EXPLANATION
1	Transfers in	3220	7,756,941.00		To remove Training and Audiovisual Support Center Training Property Book items with values less than $5000 from the general ledger.
	Equipment w/ contractor	1763		7,756,941.00	
2	Undistrib. disbursements	1015.0P	2,696,279.38		To adjust general ledger accounts which are misstated due to a closing problem encountered in fiscal year 1989.
	Travel advances	1411		2,696,279.38	
3	Contingent liabilities	2920	232,098.34		To remove a balance for contingent liabilities for which the installation cannot provide support.
	Transfers out	3231		232,098.34	
4	Transfers in	3220	414,649.00		To remove 1117th Signal Battalion Ft. Grely and Ft. Wainwright property book items with values less than $5000 from the general ledger.
	Equipment in use	1762		414,649.00	
5	Equipment in use	1762	12,000.00		To adjust for the Military Intelligence Property Book which was previously not booked in the general ledger.
	Transfers in	3220		12,000.00	
	TOTAL ADJUSTMENTS		11,111,967.72	11,111,967.72	

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