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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D C 20548

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DIVISION OF FINANCIAL AND  
GENERAL MANAGEMENT STUDIES

May 2, 1974

The Honorable Hadlai A. Hull  
Assistant Secretary of the Army  
(Financial Management)

**BEST DOCUMENT AVAILABLE**

Dear Mr. Hull

We have completed a review of the Army National Guard Technician Payroll System. The review included an evaluation of the system of internal controls, including internal audit. Our review was conducted at the National Guard Computer Center and State National Guard offices in the following states: Arizona, Connecticut, Michigan, Mississippi, Nevada, New Jersey, New Mexico, Ohio, Oklahoma, Utah, Virginia, Washington, and Wisconsin.

Except for insufficient internal audit coverage, the system of internal controls is generally adequate to assure that payments made are correct and proper. Minor weaknesses in internal controls noted were reported to National Guard offices at the State level. We were informed in every instance that needed corrective action was taken.

Only one of the offices we visited was reviewed by the Army Audit Agency during the 2-year period prior to our review. Because internal audit is an important element of internal control we suggest that you review with the Army Audit Agency the adequacy of its coverage of the Army National Guard Technician Payroll System.

Payroll and leave records for the Army National Guard Technician Pay System through June 30, 1973, may be transferred to the Federal Records Center in accordance with the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies (Title 8, Chapter 3).

We would appreciate being advised of any action taken regarding the Army Audit Agency's coverage of the Army National Guard Technician Payroll System.

Copies of this report are being sent to the Chief, National Guard Bureau Headquarters, and the Chief, Army Audit Agency.

We wish to acknowledge the cooperation and courtesies extended to our staffs during this review.

Sincerely yours,

A handwritten signature in cursive script that reads "H. C. Kensky".

Harry C. Kensky  
Associate Director

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