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REPORT TO THE CONGRESS

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Need For Improved Accounting For Civilian Employees' Leaves Of Absence In The Military Departments B - 152073

Department of Defense

*BY THE COMPTROLLER GENERAL
OF THE UNITED STATES*

FEB. 7, 1969

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COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-152073

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on the need for improved accounting **for** civilian employees' leaves of absence in the military departments **of** the Department of Defense.

Copies of this **report** are being sent today to the Director, Bureau of the Budget; the Secretary of Defense; **and** the Secretaries **of the** Army, Navy, and the **Air** Force.

A handwritten signature in black ink that reads "Thomas B. Staats".

Comptroller General
of the United States

AGENCY ACTIONS

In most instances agencies **acted** to correct errors brought to their attention by GAO.

The Assistant Secretary of Defense, **Comptroller**, stated that each **military** department would ensure establishment and maintenance of adequate controls to identify clerical errors and would ensure also the availability of administrative regulations and **instructions**. In addition, the Assistant Secretary **informed GAO** that **it** was the Department's opinion that greater automation of civilian **pay** and leave accounting, **together** with the above-mentioned actions, would provide an acceptable long-term solution to the problems. The Assistant **Secretary** and **the** military services **also** informed **GAO** that, **because** their audit resources were limited, their audit effort **was** generally directed into areas offering the greatest potential return. Time for audit of **civilian** pay and leave must compete with the demands for audit in other areas. **GAO** concurs in this position, provided that, over a reasonable period, **all** important areas of activity receive adequate consideration.

ISSUES FOR FURTHER CONSIDERATION

The Assistant Secretary (**Comptroller**) should maintain close **surveillance** over the progress attained in improving clerical accuracy in leave accounting, whether such **accounting** is performed manually **or** by computer.

Agency internal audit groups **should** increase **emphasis** on leave accounting in making payroll **and** leave audits. (**See pp.** 16 and 17.)

LEGISLATIVE PROPOSALS

None.

D I G E S T

WHY THE REVIEW WAS MADE

General Accounting Office (GAO) reviews of civilian payroll records of selected military organizations in Washington, D.C. , and its vicinity disclosed sizable errors in employees' leave of absence records. Consequently, GAO extended its review beyond the Washington area to include selected military organizations throughout the contiguous United States.

FINDINGS AND CONCLUSIONS

On the basis of tests of records selected at **28** organizations, GAO estimated that the annual monetary value of the errors for the **28** installations was \$493,000. These errors included instances in which the civilian employees had been given more leave (valued at \$353,500) than they were entitled to and instances in which the errors had deprived the employees of leave (valued at \$139,500) that they had earned.

GAO believes that the errors noted **can** be attributed primarily to management's failure to establish and operate an effective system for identifying and correcting clerical errors. A contributory cause, in some instances, was the failure to maintain a complete file of the administrative regulations and instructions governing civilian employees' leave.

GAO also found that there was a need for increased emphasis on reviews of leave administration by the Army Audit Agency and the Navy Area Audit Service, **as well as** by local administrative review groups in the Army and **Navy**, because their audits gave very limited attention to leave records and thus did not disclose the need for improved accuracy in leave records. (See p. 14.)

RECOMMENDATIONS OR SUGGESTIONS

GAO suggested to the Secretary of Defense that:

- A method be established for identification of clerical errors.
- Payroll offices **be** provided with the instructions needed to properly administer laws and regulations applicable to employees' leave.
- Internal **audit of** leave be intensified.

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ISSUES FOR FURTHER CONSIDERATION

The Assistant Secretary (Comptroller) should maintain close surveillance over the progress attained in improving clerical accuracy in leave accounting, whether such accounting is performed manually or by computer.

Agency internal audit groups should increase emphasis on leave accounting in making payroll and leave audits. (See pp. 16 and 17.)

LEGISLATIVE PROPOSALS

None.

INTRODUCTION

The General Accounting Office has made a review of the accounting records maintained of leaves of absence earned and used by civilian employees at selected organizations of the Department of Defense. The review 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).

The review was originally undertaken as a constituent part of regularly scheduled audits of civilian payrolls and related transactions of selected military organizations in the Washington area. After these reviews disclosed sizable errors in records of employees' leaves of absence, we expanded our review to include military organizations throughout the contiguous United States, to determine whether the lack of accuracy in these records was widespread.

The first phase of our review took place during 1965 and 1966 and involved examination, on a selective basis, of the records for the preceding leave year of 13 organizations in the Washington area. Of these 13 organizations, 12 were paid centrally by the Navy Finance Center, Washington; however, the records of employees' leaves of absence were maintained separately by each organization,

The second phase of our review was conducted in fiscal years 1967 and 1968 and involved examination of selected leave of absence records for leave year 1966 at 15 other Defense organizations. Of these 15 organizations, six were Army, five Navy, and four Air Force organizations.

Our examination involved review of the records to ascertain whether they were mathematically correct, accurately kept, and maintained in accordance with pertinent laws and regulations.

BACKGROUND

Title 5 of the United States Code, which codifies the laws relating to the organization of the Government of the United States and to **its** civilian **officers** and employees, contains the basic policies regulating, among other things, attendance and leave. Under this title, the U.S. Civil

Service Commission has been given the authority to establish the rules and regulations necessary for implementing this legislation. Accordingly, chapter 630 of the Federal Personnel Manual, promulgated by the Civil Service Commission, establishes the regulations governing leaves of absence for civilian employees. In turn, each of the armed services has issued its own instructions implementing these regulations. These instructions are further delineated and explained in manuals issued by each of the local organizations.

The types of leaves of absence with which this report is concerned are described below.

1. Annual leave. An approved absence with pay, to allow an employee an annual vacation period and time off for personal and emergency purposes. Civilian employees earn 13, 20, or 26 days of annual leave a year, depending upon the number of years the individual has spent in Government service.
2. Sick leave. An authorized absence with pay granted to an employee who is incapacitated for the performance of duty because of sickness, injury, pregnancy, and confinement and for medical, dental, or optical examination or treatment. Civilian employees earn sick leave at the rate of 13 days a year. With proper administrative approval, employees may be advanced up to 30 days of sick leave. Such advances may be subsequently liquidated by application of sick leave earned after the employee returns to duty.
3. Military leave. An authorized absence, without charge to annual leave or loss of pay, granted to an employee for each day, but not more than 15 days in any calendar year, on which he is on active duty or is engaged in field or coast defense training as a reservist of the armed forces or as a member of the National Guard.
4. Court leave. An authorized absence, without charge to annual leave or loss of pay, granted to an

employee for jury duty or for attending court in a nonofficial capacity as a witness on behalf of the United States or of the Government of the District of Columbia.

5. Leave without pay. An authorized absence from duty, which is granted upon an employee's request and for which the employee does not receive pay.

The basic workweek of most civilian employees consists of 40 hours--five 8-hour working days. For pay and leave purposes, however, the year is divided into biweekly pay periods, and leave is accrued on the basis of the complete pay periods. The two primary records for recording and controlling attendance and leaves of absence are the time and attendance report and the leave record.

The time and attendance reports, which may be in the form of daily, weekly, or biweekly records, **are** controlled by timekeepers in the employees' respective work areas and are certified as to correctness by the employees' supervisors or designated representatives. These records are forwarded to the payroll sections where the leave records are maintained and become the source documents for posting any leave taken to the employees' leave records. The payroll sections are responsible for maintaining the leave records on a current basis and **for** ensuring that accruals and deductions are proper and in accordance with the regulations and organization policies.

The type of leave records maintained at the various organizations differ, depending upon the size of the organization and the type of system in use. At some of the organizations, the records are posted manually; at others, the information on the time and attendance records is key-punched onto cards for machine posting; at still others, the leave records are maintained on an automated basis.

FINDINGS AND RECOMMENDATIONS

NEED FOR BETTER ADMINISTRATIVE CONTROLS OVER CIVILIAN EMPLOYEES' LEAVE OF ABSENCE RECORDS

In the majority of the Department of Defense organizations at which we made reviews, the administrative controls over civilian employees' leave of absence records were not adequate for ensuring clerical accuracy or compliance with applicable laws. On the basis of our tests, we estimate that these organizations annually averaged about 14,800 errors with a monetary value of about \$493,000. We performed our tests at 28 organizations which constituted only a small but a representative part of the more than 400 Department of Defense organizations in the United States that maintain such records. Thus it seems probable that the total of such errors on a Department-wide basis would be many times that disclosed by our review.

The preponderance of errors occurred because of various types of clerical inaccuracies on the part of the payroll clerks. Other errors resulted from a lack of understanding of the leave regulations. We believe that the errors noted can be primarily attributed to management's failure to establish and operate an effective system for identifying and correcting clerical errors. A contributory cause, in some instances, was the failure to maintain a complete file of administrative regulations and instructions.

Details of our findings are presented below.

Need for accuracy in maintenance of leave records

Proper payment to employees for services rendered requires accuracy in keeping records of employees' leave and in applying the pertinent laws and regulations.

The standards for maintaining records and applying laws and regulations are contained in the GAO Policy and Procedures Manual for the Guidance of Federal Agencies. It is inherent in these standards that a high degree of accuracy be attained in controlling leave and other matters affecting compensation paid to employees.

Errors in either recordkeeping or applying laws and regulations can lead to both overpayments and underpayments of salaries. Even when such errors are later found and corrected, employees who have been overpaid may be subjected to financial hardships by having to refund the amounts they were overpaid and this, in turn, may create serious morale problems. Accordingly, maintenance of accurate leave records and correct application of pertinent laws and regulations in the administration of employees' leave are important parts of good employee relations and merit concern as a part of the agency's stewardship over the funds made available by the Congress.

Summary of errors in leave administration

During our review, we found errors in practically all types of transactions relating to leave at most of the organizations we visited. On the basis of the results of our review, we estimated the rate and dollar value of errors for all civilian employees of the organizations reviewed. The results, actual and estimated, are summarized below.

<u>Description</u>	<u>Monetary value of errors</u>	
	<u>Errors disclosed by our tests</u>	<u>Estimated for all civilian employees for a year at organizations reviewed</u>
Leave year 1964:		
One Navy organization	\$ 1,400	\$ 36,000
Leave year 1965:		
12 organizations in the Washington area	14,500	129,000
Leave year 1966:		
15 organizations located throughout the contiguous United States	<u>16,900</u>	<u>328,000</u>
Total	<u>\$32,800</u>	<u>\$493,000</u>

Our review was made on a test basis with the size of our sample determined from the number of civilian employees in

the organization and the number considered necessary to provide a reasonable basis for estimating the extent of the errors at the organizations reviewed.

The ratios of the estimated annual amount of errors and the actual errors on which the estimates were based were not uniform for the organizations reviewed because the size of the sample differed from organization to organization. The size of the sample, for the most part, involved review of the leave records of 4 to 10 percent of the civilian employees of the organization for a year and a verification of the leaves of absence shown on the time and attendance reports for all employees for one pay period during the year. The records reviewed were selected at random. A schedule of leave errors by organization is presented as appendix I.

The errors involved instances in which the employees were given more leave than they were entitled to and instances in which the errors deprived the employees of leave they had earned. The total errors were as follows:

	Actual monetary <u>value</u>	Estimated annual monetary <u>value</u>
Errors which deprived employees of leave they had earned	\$ 8,000	\$139,500
Errors which gave employees more leave than they were entitled to	<u>24,800</u>	<u>353,500</u>
Total	<u>\$32,800</u>	<u>\$493,000</u>

All the errors noted during our review were called to the attention of organization personnel who, in most instances, either took or initiated corrective action during our review.

The errors disclosed by our review primarily involved clerical inaccuracies and, to a minor extent, noncompliance with leave regulations as summarized below.

<u>Type</u>	<u>Percent of total</u>
Clerical inaccuracies	92%
Noncompliance with leave regulations	<u>8</u>
Total	<u>100%</u>

Each of these types of errors is discussed separately below.

Clerical inaccuracies

Our examination of selected civilian employees' attendance and leave records disclosed clerical inaccuracies at all but two of the organizations we reviewed. The inaccuracies noted were of many different types, such as simple arithmetical errors on time and attendance reports and leave records, failure to post leave earned and used, and incorrect transfers of leave from one record to another.

Noncompliance with leave regulations

In general, we found that the personnel at the organizations we visited were effectively applying laws and regulations governing civilian employees' entitlement to and use of leave. The errors we found in the application of such laws and regulations, as indicated above, were comparatively few--far fewer than those resulting from clerical inaccuracies. For the most part, the errors in applying laws and regulations that we did find involved somewhat unusual transactions which the payroll clerks probably do not encounter frequently.

Causes of errors

We found that the two types of errors, i.e., clerical inaccuracies and noncompliance with leave regulations, were each attributable to different causes relating to system deficiencies. In our opinion, however, supervisors and management at all levels should have been more alert to these system deficiencies, which are described below, and should have initiated corrective action.

Clerical inaccuracies appeared to be in a large measure attributable to the lack of effective systems for locating and correcting clerical errors.

Where mechanical equipment or computers were used, we found that errors had occurred despite the features built into such equipment to ensure accuracy. Although we did not include a comprehensive review of the programs used to operate such equipment, we believe that too much reliance was placed on the mathematical accuracy of the equipment. Although the equipment is often nearly infallible in mathematical computations, it can function effectively only if all **the** source data is **properly** put into the mechanized processing system. We conclude that the errors resulted from lack of controls over the data which must be put into the mechanized processing system if it is to produce correct results.

Perhaps it is because leave records are kept in hours instead of dollars that the controls over these records are not as exacting as the controls over other aspects of payroll preparation and administration. In any case, it is common practice to balance salary and wage payments to the penny; however, as indicated above, leave records frequently are not nearly so carefully controlled.

With regard to the errors made in applying laws and regulations, we have noted that payroll clerks do not always have access to all pertinent reference materials. The proper application of pertinent laws and regulations requires access to reference materials, such as local organization's instructions, agency instructions, and the Federal Personnel Manual,

Comments of the Department of Defense
and the military services

On June 18, 1968, we submitted our draft report to the Department of Defense for comment. In this draft we suggested that the Secretary of Defense direct the services to establish definite standards for clerical accuracy in the maintenance of leave records and to establish techniques for identifying clerical errors. We suggested also that the Secretary direct the services to see that payroll offices were provided with all the instructions needed to properly administer the laws and regulations applicable to employees' leave.

The Department commented on our report by letter dated August 14, 1968, from the Assistant Secretary of Defense (Comptroller). In this letter the Assistant Secretary advised us that the Department fully recognized the importance of civilian leave accounting, both for proper discharge of its stewardship responsibilities and because of its effect upon employee morale.

The Assistant Secretary stated that each military department would ensure establishment and maintenance of adequate controls, including methods of identifying clerical errors, and would monitor the availability and use of reference materials, reemphasizing the importance of clerical training and supervision and of improved local management of leave accounting. The Assistant Secretary stated also that it was the Department's belief that these measures would effectively improve the accuracy of records and that the promulgation of rigid standards would be unnecessary. In addition, the Assistant Secretary advised us it was the Department's opinion that greater automation of civilian pay and leave accounting, under way in each of the military services, and the other actions that the Department proposed to take would provide an acceptable long-term solution to the problems mentioned in our report.

In addition, the Navy stated that the annual error rates we had projected were estimates and were subject to some question. The Navy indicated that Navy reviews made subsequent to our first review at seven of the same organizations disclosed annual error rates significantly less than our estimate.

We have included the estimated overall errors in **this** report to give those persons having management responsibility for controlling employees' leave an indication of the probable magnitude of total errors in terms of the dollar value of the leave involved, Our estimates of errors are not intended as precise measurements. However, the estimates are based on audits of samples of the transactions during the periods to which the estimates apply.

Although we did not make scientific statistical samples at the organizations visited, we took what we consider to be reasonable precautions to ensure that our selections were not biased and that they provided reasonable bases for estimating the effect of errors at those organizations. We therefore believe that our estimates were reasonable indications of what might be found if audits of the same scope were made of all the leave accounts at the organizations we visited.

In connection with Navy's findings, it should be noted that, at some locations, there were indications that organization personnel had reviewed the records and had made corrections prior to the review that the Navy cited. Also, there were differences in the scope of the review because some of the records were no longer available when the Navy performed its review.

The full text of the Assistant Secretary's letter is presented as appendix III of this report. Included in appendix III are letters setting forth the positions of the Army, Navy, and Air Force.

Conclusions

From the information provided to us, it appears that the Department of Defense is making an effort to eliminate clerical errors and thus increase the accuracy attained in maintenance of leave records. The Department also is initiating action to make reference materials regarding laws and regulations applicable to employees' leave more readily available. We believe that these actions, if effectively completed by the Department, should result in improved accuracy both in clerical work and in the application of the laws and regulations governing employees' leave,

Although we concur in the actions the Department has initiated, we believe that the Department should be cautious in placing too much reliance on greater automation as a means of attaining improved accuracy. The use of automated equipment tends to reduce mathematical errors, but our audits have revealed that, unless there is careful control over the manually prepared input to automated systems, serious errors can occur just as in manually maintained systems. Consequently, we believe that the Department should keep automated systems under close scrutiny until it determines that accurate results are being produced consistently.

Recommendation

A high degree of accuracy over an extended period of time will require constant vigilance, and we therefore recommend that the Secretary of Defense require the Assistant Secretary of Defense (Comptroller) to maintain close surveillance over the progress attained in improving clerical accuracy in leave accounting. Surveillance over the adequacy of input data seems particularly important in the Air Force, in view of its reliance upon automated systems,

NEED FOR INCREASED EMPHASIS ON
AGENCY REVIEWS OF LEAVE ADMINISTRATION

Each agency is required to establish adequate internal auditing as part of its management control over pay and leave administration, to help provide assurance that leave privileges are properly administered. This requirement is set forth in the GAO Policy and Procedures Manual for Guidance of Federal Agencies.

During our review, we considered the work of both the service internal review groups (Army Audit Agency, Navy Area Audit Service, and Auditor General of the Air Force) and the local administrative review teams at the organizations we visited. The results of the work performed by the review groups, with the exception of one Army review and the Air Force reviews which are discussed below, did not disclose that there was a need for improved clerical accuracy in the maintenance of leave records.

In two reports issued by the Auditor General of the Air Force, inaccuracies in the maintenance of leave records paralleling those disclosed by our review were reported. In this respect, one Air Force audit report dated December 1965 disclosed that Air Force auditors had found errors in 292, or about 35 percent, of the 837 leave records examined at 25 bases. Another report dated March 4, 1968, disclosed errors in the leave records at 26 bases; however, the number of records examined was not specified. In this latter report, a major cause of the errors was stated to be clerical.

With one exception, our evaluation of the reviews made by the two types of agency review groups in the Army and the Navy showed that (1) when the reviews involved payroll matters, limited attention was given to leave, (2) the reviews made of leave records were directed primarily toward ascertaining compliance with procedures rather than verifying the accuracy of the leave records, (3) in some instances the working papers did not disclose the scope of the review or the extent of audit coverage, while in others the scope was extremely limited, and (4) in two instances, management had not taken effective action to correct discrepancies disclosed by internal reviews.

Comments of the Department of Defense
and the military services

In commenting on our report, the Department of Defense and the military services pointed out that their audit resources were limited and that their audit effort was generally directed into areas offering the greatest potential return. Time for audit of civilian pay and leave therefore must compete with the demands for audit in other areas.

Other principal comments and our related views follow.

In its comments, the Army cited reports issued by the Army Audit Agency during 1965 and 1966 on the six **Army** installations included in our review. According to the Army, these reports contained no findings on civilian leave. Since the Army Audit Agency's policy was to include comment in reports only when adverse conditions were found, the Army Audit Agency interpreted this as indicating that the Army auditors had found no adverse conditions considered serious enough for inclusion in their reports.

The Army's reply failed to note that its report on the Military District of Washington, Fort Myer, Virginia, had contained significant findings regarding inaccuracy in leave records. The report stated that, on the basis of a statistical sample, the auditors had estimated that the leave records of 1,992 employees contained incorrect balances or improper supporting data. Information made available to us at four of the other five audit sites indicated that little effort had been directed into the review of clerical accuracy of leave records.

The Navy plans to continue its policy of directing audit effort into the areas which its preaudit survey indicate are most in need of emphasis. According to the Navy, areas other than timekeeping and payroll generally offer greater potential return. Unless more conclusive evidence is developed to show that leave accounting errors are having an adverse effect on employee morale, the Navy plans to continue to follow its present policy.

In a report to the Congress issued in March 1968 entitled "Internal Audit Activities in the Department of Defense" (B-132900), we acknowledged that the services did not have sufficient audit staffs to perform all the work that should be undertaken. Consequently, we believe that the Navy's policy of concentrating on the areas offering the greatest potential is reasonable, provided that care is taken to see that audit efforts in the long run include consideration of all significant aspects of the installations' operations. Also, the Naval Audit Service has delegated prime responsibility for audit of payroll and leave matters to the internal review units at the installations. Accordingly, much of the Navy Audit Service's responsibility for payroll and leave auditing can undoubtedly be discharged by maintaining surveillance over the payroll and leave auditing done by the installations' internal review groups.

Conclusion

We concur in the general position of the Department of Defense and the military services that the effort of their auditors should be directed into the areas which produce the most benefit to the Government, provided that, over a reasonable period, all major areas of activity receive adequate consideration. Our reviews have disclosed that clerical inaccuracy in leave records is one of the most prevalent problems in the area of payroll and leave administration. Accordingly, we believe that, when payroll and leave audits are made, accuracy of leave records should receive increased emphasis.

Recommendations

So that management officials may be provided with current information on the results of their efforts to improve the clerical accuracy of leave records, we recommend that the Secretary of Defense require the Army Audit Agency, Naval Audit Service, and the Auditor General of the Air Force to give this audit area increased emphasis when payroll and leave audits are undertaken, until such time as the results indicate that a high degree of clerical accuracy in leave maintenance has been attained. We recommend

also that the Secretary of Defense require that the reports issued on such reviews **include** comments regarding the results of the **work** performed.

A small, handwritten mark or signature, possibly a checkmark or a stylized letter, located on the right side of the page.

APPENDIXES

SCHEDULE OF LEAVE ERRORS BY ORGANIZATION

Organization and year	Number and value of errors			
	Actual errors disclosed by our review		Estimated total errors for the year	
	Number	Monetary value	Number	Monetary
1964:				
U.S. Naval Oceanographic Office, Suitland, Maryland (note a)	<u>53</u>	<u>\$ 1,377</u>	<u>1,378</u>	<u>\$ 35,804</u>
1965:				
Navy:				
Office of the Secretary of the Navy (now the Department of the Navy Staff Offices)	16	450	288	7,383
Bureau of Medicine and Surgery	2	118	52	3,064
" " Naval Personnel	6	1,137	33	2,021
" " " Weapons (now the Air Systems Command and the Ordnance Systems Command)	16	881	160	8,807
Bureau of Ships (now the Ship Systems Command)	10	332	244	8,400
Bureau of Supplies and Accounts (now the Supply Systems Command)	36	8,496	368	77,045
Bureau of Yards and Docks (now the Facilities Engineering Command)	1	17	26	440
Headquarters, U.S. Marine Corps	24	1,562	412	14,820
Military Sea Transportation Service	8	93	80	928
Office of the Chief of Naval Operations	12	47	120	465
" " Naval Research	-	-	-	-
Defense :				
Defense Communications Agency	<u>11</u>	<u>1,397</u>	<u>92</u>	<u>5,455</u>
Subtotal	<u>195</u>	<u>15,907</u>	<u>3,253</u>	<u>164,632</u>
1966 :				
Army :				
Fort Devens, Massachusetts	15	364	231	4,721
" Lee, Virginia	5	136	170	4,044
" Rucker, Alabama	21	1,270	242	22,939
Military District of Washington, Fort Myer, Virginia	117	5,252	1,553	66,343
Picatinny Arsenal, New Jersey	22	704	920	16,962
Presidio of San Francisco, California	49	2,583	842	52,819
Navy :				
Long Beach Naval Shipyard, California	9	105	225	2,620
U.S. Naval Air Station, Pensacola, Florida	15	483	649	13,726
U.S. Navy Finance Center, Cleveland, Ohio	-	-	-	-
U.S. Naval Supply Depot Mechanicsburg, Pennsylvania	32	1,233	576	18,136
U.S. Naval Training Center, Great Lakes, Illinois	76	1,163	1,304	17,244
Air Force:				
Lackland Air Force Base, Texas	26	1,503	386	17,171
Newark Air Force Station, Ohio	20	611	280	8,446
Oklahoma City Air Materiel Area, Oklahoma	30	573	3,593	71,255
U.S. Air Force Academy, Colorado	<u>42</u>	<u>958</u>	<u>548</u>	<u>11,456</u>
Subtotal	<u>479</u>	<u>16,938</u>	<u>11,519</u>	<u>327,882</u>
Total	<u>674</u>	<u>\$32,845</u>	<u>14,772</u>	<u>\$492,514</u>

Subsequent to our examination, we revisited the Naval Oceanographic Office and found that substantial improvement had been made in its internal controls over leave and pay.



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-152073

September 3, 1963

TO THE HEADS OF DEPARTMENTS AND OTHER FEDERAL AGENCIES

As a part of his basic management responsibilities, the head of each Federal agency is responsible for establishing and maintaining systems of accounting and internal control including appropriate internal auditing as a means of providing, among other things, effective control over funds, property, and other assets for which the agency is responsible.

The General Accounting Office, in carrying out its auditing responsibilities, is required by law to give due regard to generally accepted principles of auditing, including consideration of the effectiveness of accounting organizations and systems, internal audit and control, and related administrative practices of the agencies.

Our reviews of the payroll operations of Government departments and agencies have disclosed that, with relatively few exceptions, adequate internal audits of such operations are not being made, apparently in the belief that such audits may be curtailed because of the auditing performed by the General Accounting Office. As a general rule, our auditors are unable to place an acceptable degree of reliance on agency internal auditing in connection with payroll operations. For example, out of a total of 249 Army, Navy, and Air Force installations at which we performed civilian pay audits, only three installations had received sufficient internal audit coverage to merit an acceptable degree of reliance for purposes of our examinations.

Our audits have disclosed a large number and variety of overpayments due to erroneous personnel actions, inadequate leave administration, and other deficiencies. In accordance with our customary practice, these matters are brought to the attention of responsible agency officials and corrective action generally is taken. Nevertheless, subsequent audits frequently disclose similar errors. Correction of such errors is not only costly but may result in hardships to the employees involved, particularly where overpayments extend over a period of several years. Such cases often lead to the introduction of private relief bills which require substantial time and effort by agency officials and members of Congress. Appropriate internal controls, including effective internal auditing, would serve to minimize such errors.

Further, we have found that, as a general rule, agency internal audit groups do not have all of the necessary knowledge and understanding

of legal requirements and regulations pertaining to civilian pay matters to enable them to effectively audit such transactions. As a result, they are devoting inadequate attention to such matters as individual entitlement to pay and allowances. One of the reasons for this lack seems to be the erroneous assumption that payroll auditing is a function to be performed primarily by the General Accounting Office.

The civilian payroll cost of the Federal Government amounts to about \$15 billion annually or about 15 percent of the Federal budget. In view of this magnitude of expenditures and in recognition of the responsibility of the head of each agency for providing effective control over the utilization of funds and property, we believe it is essential that each agency head provide, as a part of his management control system, adequate internal auditing which will help provide assurance that, as to civilian pay matters, all payments are made in compliance with applicable laws and that related functions such as leave are properly administered. Accordingly, it is requested that internal audit procedures in your agency with respect to civilian pay matters be reviewed and strengthened wherever necessary to meet these objectives.

The General Accounting Office will continue to make independent examinations of agency financial transactions on a selective basis. However, these examinations should not in any way be considered as a substitute for effective internal auditing for which the head of each agency is responsible.

We shall be glad to have representatives of our Office consult with you concerning the accomplishment of the above purposes if you so desire.

/s/ Joseph Campbell

Comptroller General
of the United States



COMPTROLLER

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

14 AUG 1968

Mr. Charles M. Bailey
Director, Defense Division
U. S. General Accounting Office

Dear Mr. Bailey:

This responds to your letter of June 18, 1968, requesting comments on your draft report on the need for improvement in the administration of leave of absence granted to civilian employees (OSD Case #2788).

The Department of Defense fully recognizes the importance of administration of civilian leave accounting, both for the proper discharge of our stewardship responsibilities and because of its effect on employee morale.

Your findings, comments and recommendations have been carefully reviewed by the Military Departments, and as evidenced by the attached comments, each Department is increasing its efforts, for better administrative control and for full compliance with applicable laws and GAO procedures and regulations in this area.

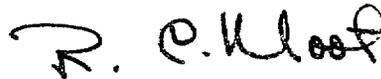
Each Military Department will assure establishment and maintenance of adequate controls, including the use of control totals or comparably effective alternate methods of identifying clerical errors and will monitor the availability and use of reference materials, reemphasizing the importance of clerical training and supervision and improved local management of leave accounting. It is believed that these measures will effectively improve the accuracy of records and that the promulgation of rigid standards will be unnecessary. We feel that greater automation of civilian pay and leave accounting, underway in each of the Military Services, and the above mentioned actions provide an acceptable long-term solution of the problems mentioned in your draft report.

With respect to the internal audit of civilian leave accounting, the attached comments of the Military Departments indicate that significant audit coverage is being applied to the civilian leave area and that appropriate audit attention, as suggested in your letter will continue, within the limited audit resources available and the relative priorities and potential for savings in other areas requiring audit.

Copies of the Military Department comments obtained on the **draft** report are enclosed for your information.

The Department of Defense appreciates the opportunity to ~~comment~~ on your draft report and welcomes comments and recommendations aimed at improving our performance in this important and sensitive area.

Sincerely,

A handwritten signature in black ink that reads "R. C. Moot". The signature is written in a cursive style with a large, stylized initial "R".

Robert C. Moot
Assistant Secretary of Defense

Enclosures 3

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, D.C. 20310

19 JUL 1968

MEMORANDUM FOR: ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

ATTN: DEPUTY COMPTROLLER FOR ACCOUNTING SYSTEMS

SUBJECT: GAO Draft Report, dated June 18, 1968, "Need for Improvement in the Administration of Leave of Absence Granted for Civilian Employees" (OSD Case #2788)

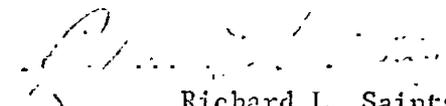
Reference is made to your memorandum of 19 June 1968 requesting the Department of the Army to provide comments regarding subject GAO draft report,

In the past, many corrective measures have been initiated, including establishing control totals for the automated maintenance of civilian leave records. As recommended by this report, action will be taken to prescribe a control total method in the manual civilian leave system to assist in identifying clerical errors. Commanders and managers will be directed to place greater stress on accurate maintenance of leave records. Department of the Army will issue instructions to assure that leave regulations will be readily available to all civilian payroll offices.

The GAO draft report deals with three distinct functional areas. Comments are submitted on each one as separate inclosures to this memorandum.

3 Incl

1. Cmts on Administrative Controls
2. Cmts on Internal Audit
3. Cmts on Internal Review


Richard L. Saintsing
Acting Deputy Assistant Secretary of the Army
(Financial Management)

COMMENTS ON ADMINISTRATIVE CONTROLS

1. There appears to be no significant inaccuracies or omissions in the report insofar as administrative controls are concerned, and the Army is in general agreement with the findings, conclusions, and recommendations. Nevertheless, discussion is presented on the following points:

a. Department of the Army published procedures pertaining to the maintenance of civilian leave records have been reviewed and are considered to be in conformance with the standards contained in Title 6 of the General Accounting Office Policy and Procedures Manual for the Guidance of Federal Agencies. These Army procedures do not, at present, prescribe the use of a control total method of identifying clerical errors in the manual maintenance of the leave record since this requirement is not spelled out in the GAO Manual. However, this procedural method is prescribed in Army regulations as a means of controlling accuracy when automatic data processing equipment is used to maintain the leave record.

b. The Army publication distribution system makes available to all payroll offices copies of regulations pertinent to civilian leave administration. Therefore, the asserted non-availability of the regulations in payroll offices appears to be caused by local management shortcomings and not by the Army distribution system.

2. The following management actions will be taken in accordance with the recommendations contained in the report:

a. In the manual maintenance of the leave record, a control total method will be prescribed to assist in identifying clerical errors.

b. Commanders and managers will be directed to place greater stress on accurate maintenance of the leave record. Department of the Army will issue instructions to assure that leave regulations will be readily available to all civilian payroll offices.

3. The Army has long recognized the problem of clerical inaccuracies in civilian pay and leave accounting and is constantly striving to reduce errors to an acceptable level in this area. The most realistic approach to this problem has been to gradually automate civilian pay and leave accounting. It has been found when automatic data processing equipment is employed combining pay and leave accounting, arithmetical errors are almost completely eliminated and the record is produced in a more economical and timely manner. At present in the contiguous United States, approximately 68 percent of the Army civilian payroll offices are maintaining leave records with card or tape oriented equipment. Plans are

being formulated to automate the majority *of* the remaining payroll offices **as** equipment becomes available to the installation. A long-range **plan** is presently under study *to* regionalize or centralize civilian pay and leave accounting on computers within the Army. Preliminary evaluation is favorable. The constant modernization and acquisition of more sophisticated automatic data processing equipment in the Army increases the probability of adopting **such** a system. Indications are that management controls **would** be enhanced due to a reduction in the **number** of individual civilian payroll offices which should result in improving accuracy **of leave** records.

COMMENTS ON INTERNAL AUDIT

1. The Army does not entirely concur in the comments made by GAO on pages 14, 15, 16 and 19 of the draft report insofar as they pertain to the U. S. Army Audit Agency (USAAA) for the following reasons:

a. As a part of USAAA periodic comprehensive audits of Army installations, the auditors evaluate all reviews performed by the installation and, to the extent that those reviews are found to have been adequate, adjust the scope of the audit. Detailed examination of individual transactions is limited to the extent necessary to determine the effectiveness of operations and internal controls and to ascertain the degree of reliability of accounting and reporting data.

b. The resources of the USAAA are limited and, in accordance with Department of Defense policy, are applied to those areas which are expected to produce results most beneficial to the Army. Consistent with this policy, audit effort in the civilian pay area is programed with full consideration to the relative significance of civilian pay operations to all of the other Army operations requiring audit, with the objective of achieving an optimum balance between audit workload and manpower resources. It is USAAA policy, therefore, to use its resources - funds and personnel - in those areas where, in its judgment, audit services are most needed and potential savings to the Army are greatest. The soundness of this policy is reflected in the dollars saved the Army.

c. The USAAA objective or goal, as stated in AR 36-5, is to provide for comprehensive audits at intervals of 18 months. Personnel and fund resources, however, have prevented the USAAA from attaining this goal. The following information pertains to the Army installations cited on page 19 of the GAO draft report:

(1) Fort Devens, Massachusetts. The report on the last audit of this installation was issued on 7 October 1966. Since the Fort Devens internal review staff was in process of making a comprehensive review of civilian pay, including leave, at the time, USAAA auditors limited their audit coverage of civilian pay to a survey of payroll records for one payperiod. No adverse conditions pertaining to civilian pay were reported. The next audit of this installation is scheduled to begin in October 1968, with the report due in April 1969.

(2) Fort Lee, Virginia. The most recent audit report on Fort Lee, dated 30 December 1965, contained no findings on civilian leave.

(3) Fort Rucker, Alabama. The report on the last audit of this installation, dated 31 August 1966, contained no findings in the civilian pay area. An audit of this installation, currently in process, is scheduled for completion in September 1968.

(4) Military District of Washington, Fort Myer, Virginia. This installation was audited as of 30 June 1965. The audit report, dated 10 December 1965, contained no findings on civilian pay. The current audit, begun in June 1968, is scheduled for completion during the second quarter of fiscal year 1969.

(5) Picatinny Arsenal, New Jersey. The report on the last audit of this installation was dated ~~14 September~~ 1966. At that time, the civilian payroll was reported to be approximately \$90 million annually. About 250 direct audit man-hours were expended in the civilian pay area. Statistical sampling was used to test seven different payroll procedures; however, no adverse findings on civilian leave were reported. The current audit of Picatinny Arsenal, begun in March 1968, is scheduled for completion in September 1968.

(6) Presidio of San Francisco, California. The report on the last audit of Presidio of San Francisco was dated 12 December 1966. No adverse conditions in the civilian leave area were reported.

2. Since the USAAA reports on an exception basis, the fact that no adverse criticism is directed to any specific area should not be interpreted to mean that the area was not considered during the audit. It means only that no adverse condition in that area was found that was considered significant enough for inclusion in the formal audit report.

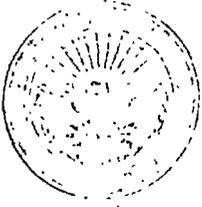
3. Guides for the audit of civilian pay are contained in USAAA Manual Section 312-1 dated 13 March 1967. The schedule of audits to be performed during fiscal year 1970 is currently being developed, and tentatively includes special-emphasis on payroll operations.

COMMENTS ON INTERNAL REVIEW

1. Internal review staffs in the Department of the Army do not make periodic examinations of payroll activities unless **there** is evidence of trouble or problems are known or suspected to exist. Internal review groups make special analyses, surveys and studies, and serve **as** "trouble shooters" for the commander in the discharging of his responsibilities but do not perform comprehensive audits or make regularly scheduled recurring or cyclical reviews of appropriated fund operations. Internal review examinations, if conducted, are directed toward determining **that** basic administrative internal controls are adequate and operative and that procedures **and** practices assure timely and accurate payment of civilian personnel in compliance with applicable laws and regulations. Detailed coverage and verification of the mathematical correctness of leave records by internal review personnel is generally limited to a small random sample. The degree of clerical inaccuracies will be contained in the report submitted to **the** commander.

2. Department of the Army has provided detailed guidance for **the** administration of civilian payroll operations. **After** receipt of **the** Comptroller General letter (B-152073) of September 3, 1963, letter was issued on 30 June 1964 requesting remedial action for the correction of the **types** of deficiencies reported in GAO civilian pay audits of Defense activities during the 1963 fiscal **years**: **and** for the prevention of their recurrence. **The** inclosure included a list of 45 deficiencies on leave administration and 28 deficiencies on time **and** attendance maintenance.

3. Guidance designed to assist internal review personnel in the evaluation of operating procedures and practices and of **other** elements of internal control of civilian pay was included in DA Pamphlet 37-10 published on 30 June 1964. **The** methods or **steps** outlined are suggestions that are to be used singly or in combination according to the needs of a particular situation. **The** coverage of the pertinent areas and control points is not intended to limit the examination but **allows** for the modifying of the **depth** and detail in certain **areas** to **facilitate** coverage in other areas.



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20350

22 JUL 1968

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

Subj: GAO Draft Report on Administration of Leave of Absence
Granted to Civilian Employees (OSD Case #2788)

Ref: (a) ASTSECDEF(COMPT) (MSD) memo of 19 Jun 1968

Encl: (1) Department of the Navy comments on subj report

Enclosure (1) is forwarded in accordance with the
provisions of reference (a).

A handwritten signature in cursive script that reads "Charles A. Bowen".

CHARLES A. BOWEN
ASSISTANT SECRETARY OF THE NAVY

Department of the Navy Comments

on

GAO Draft Report of 18 June 1968

on

Need for Improvement in the Administration

of Leave of Absence Granted to Civilian Employees

OSD Case No. 2788

I. GAO Findings and Recommendations

The GAO reported that, at the twenty-eight DOD organizations reviewed, administrative controls over civilian employees' leave accounts were not adequate to ensure clerical accuracy or compliance with applicable laws and regulations. The first phase of the review in the Department of the Navy took place during 1965 and 1966 and involved twelve Navy organizations. This phase disclosed \$15,900 in errors and GAO estimated an annual error rate of \$165,000. The second phase of the review was conducted in fiscal years 1967 and 1968 at five Department of the Navy activities, disclosing \$2,984 in errors with an estimated annual error rate of \$51,726. Findings in the Army and the Air Force were similar. GAO believes that the errors disclosed can be attributed primarily to management's failure to establish and operate an effective system for identifying and correcting such errors. GAO further believes that greater accuracy in the administration of employees' leave would result in a worthwhile reduction in Government costs and would improve employees' morale. GAO suggests that SECDEF direct the Services to: (1) establish definite standards for clerical accuracy in the maintenance of leave records which would include the use of control totals or similar methods of identifying clerical errors; (2) see that payroll offices are provided with all the instructions needed to properly administer the laws and regulations applicable to employees' leave.

The GAO reported also that internal review organizations were directing their examination effort in the leave area primarily toward ascertaining compliance with procedures, rather than to the verification of the accuracy of leave records. GAO believes there is a need for internal audit and review organizations to give special attention to leave matters during periodic reviews of payroll activities. GAO suggests that special emphasis be given to determining: (1) the adequacy of administrative procedures and controls; (2) the propriety of leave accruals, charges, and yearly summaries; (3) the mathematical correctness of leave records.

31. Statement

The Navy Comptroller Manual prescribes the controls for leave accounting systems and provides for the use of control totals of the type suggested by GAO. The Comptroller Manual, the Navy Civilian Personnel Instructions and

Enclosure (1)

other reference materials are available to all Navy payroll and leave accounting organizations. These publications provide all the instructions needed to properly administer the laws and regulations applicable to employees' leave. A Navy Comptroller Notice will be issued directing Navy organizations to review leave accounting systems to assure maintenance of controls, survey the availability and use of reference materials, and emphasize the importance of clerical training and supervision and local management monitoring of the operations of the leave accounting system.

The Department of the Navy believes that the measures to be directed by the NAVCOMPT Notice, plus continual local emphasis on the importance of accurate records, will be more effective and economical in improving accuracy of records than establishing standards for clerical accuracy. The Navy does not have sufficient information to establish Navy-wide standards that it knows would be valid; obtaining sufficient information would be relatively expensive; and it is likely that the result of the effort would be a determination that valid overall standards for the different types of activities and operations involved cannot be developed. Establishing arbitrary standards is undesirable since they probably would be unrealistically low or high and defeat the objective sought.

With respect to internal audit coverage of this area, the policy of the Naval Audit Service is to allocate its limited resources to areas offering the greatest potential return. The procedure for implementing this policy is to conduct pre-audit surveys during which the areas most in need of coverage are selected for emphasis during the audit. Timekeeping and payroll is one of the areas surveyed at each periodic audit of activities having the function; it is also considered for coverage in establishing annual plans for continuous audits. The audit program for this area includes coverage of leave administration. Therefore, if the area is selected for emphasis, the matters which GAO suggests be given special emphasis would be examined.

Pre-audit surveys usually indicate a greater need for emphasis in areas other than Timekeeping and Payroll, such as Manufacturing, Research and Development, Procurement and Contract Administration, and Supply Management. These areas generally offer greater potential return than Timekeeping and Payroll.

The increased emphasis by NAVCOMPT and local management on better operation of leave accounting systems should effect improvement, and reduce the need for increased audit emphasis. It is pointed out that the annual error rates projected by GAO are estimates and subject to some question. Detailed Department of the Navy reviews subsequent to the first GAO review in the Navy disclosed annual error rates significantly less than the GAO estimates. The Naval Audit Service will continue to give coverage to the Timekeeping and Payroll area, as outlined above. The Department of the Navy believes that the present audit policy is sound and in the best interest of the Government. Unless more conclusive evidence that leave accounting errors are having an adverse effect on the morale of employees is developed, the Department of the Navy plans to continue present audit policy for the Timekeeping and Payroll area.

DEPARTMENT OF THE AIR FORCE
WASHINGTON 20330

OFFICE OF THE SECRETARY

JUL 19 1968

MEMORANDUM FOR DEPUTY COMPTROLLER FOR ACCOUNTING SYSTEMS,
OFFICE OF THE ASSISTANT SECRETARY OF
DEFENSE (COMPTROLLER)SUBJECT: GAO Draft Report, "Need for Improvement in the
Administration of Leave of Absence Granted to
Civilian Employees" (OSD Case #2788)

The Air Force has been requested to provide comments to your office on the subject report. Attached are Air Force comments.

We appreciate the opportunity to comment on this report.

Robert D. Benson
ROBERT D. BENSON
Deputy Assistant Secretary
(Audit, Data Automation and Finance)

1 Attachment
Air Force reply

Air Force Reply
to
Comptroller General of the United States
Draft Report to Congress
June 1968
on
Need for Improvement in the Administration of
Leave of Absence Granted to Civilian Employees
(OSD Case #2788)

1. GRO States: The need for better administrative controls over civilian employees' leave of absence (Page 6).

Comment: The Air Force recognizes the importance of proper administration of civilian leave both from the standpoint of the government and its effect on employee morale. Consequently, this aspect of employee remuneration has been given major attention, resulting in the development and maintenance of operating procedures capable of attaining adequate administrative control and compliance with applicable laws and GAO and CSC directives.

2. GAO Indicates: That clerical inaccuracies were revealed and their causes (Pages 10 through 13).

Comment:

a. Practically all civilian leave records of American Nationals are maintained on electronic equipment. Our machine programs take cognizance of computer self-checking features. Together with prescribed procedural control, we believe that processing techniques are adequate. Once the data becomes input to the system, accurate processing will follow. Consequently, it is vital that correct data be introduced into the system.

b. We have at all times recognized the initial leave recording as a vulnerable area because of dependence on time-keepers for reporting. The large number and comparatively low grade of these personnel, with resulting effect on accuracy, have been a matter of concern. We have tried to offset the adverse effect of the human element by adequate training and close supervision on the part of operating and payroll supervisors.

c. In view of the above, we have made it a point to give Auditor General reports in *this* subject matter area the widest dissemination. The Auditor General report covering 36 installations was sent to commands Air Force-wide for study and

corrective action where indicated. The Auditor General report involving an additional 89 installations was similarly distributed. Only by constant awareness can the acceptable level of competence and resulting accuracy be realized.

3. GAO Concludes: That greater use of predetermined controls would greatly improve accuracy without significant increase in administrative cost and that appropriate reference material be made available and used (Page 14).

Comment:

a. Built-in edits and controls are necessary to any system and are being made an integral part of the standard Air Force civilian pay system now being designed for the Phase II computer (Burroughs 3500)* With the accuracy and internal edit capability of the Phase II computer, we do not believe manually maintained control totals are either necessary or desirable. It is our opinion that (1) sufficient controls are being incorporated into the leave programs currently being designed for the Phase II computer system, and (2) the cost of manual controls will greatly exceed the monetary amounts associated with undetected errors.

b. The laws and regulations governing leave administration within the Air Force are contained in Federal Personnel Supplements 990-1 and 990-2, Air Force Regulations 40-601 and 40-602, and Sections 6011, 6012, and 6013, Air Force Manual 40-1. These publications are available to all payroll offices by automatic distribution upon requisition through regular distribution channels. Payroll offices will be advised of this service and will be instructed to requisition any of the aforementioned publications not currently in their files*

4. GAO Cites: The need for increased emphasis on agency reviews of leave administration (Pages 14 through 16).

Comment: We believe that the Air Force has, in fact, placed major emphasis on review of leave administration. The Air Force Auditor General, during the time of GAO's review (1964-1968), has spent approximately 150,000 hours resulting in over 400 reports of audit to Air Force management world-wide on the many aspects of civilian personnel administration. This includes two world-wide directed audit efforts applied at all major Air Force bases. Both of these audit efforts specifically covered the adequacy of administrative procedures and controls, propriety of leave accruals, and mathematical correctness of leave records. Both audits also resulted in summary audit reports to the Air Staff, the first in December 1965 and the second in March 1968. Audit effort will continue to be applied in the aforementioned areas with due consideration given to audit needs having the highest priority.

PRINCIPAL OFFICIALS
OF THE DEPARTMENT OF DEFENSE AND
MILITARY DEPARTMENTS RESPONSIBLE
FOR LEAVE ADMINISTRATION MATTERS
DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
<u>DEPARTMENT OF DEFENSE</u>		
SECRETARY OF DEFENSE :		
Clark M. Clifford	Mar. 1968	Present
Robert S. McNamara	Jan. 1961	Feb. 1968
ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND LOGISTICS):		
Thomas D. Morris	Sept. 1967	Present
Paul R. Ignatius	Dec. 1964	Aug. 1967
Thomas D. Morris	Jan. 1961	Dec. 1964
ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER):		
Robert C. Moot	Aug. 1968	Present
Robert N. Anthony	Sept. 1965	July 1968
Charles J. Hitch	Feb. 1961	Aug. 1965
<u>DEPARTMENT OF THE ARMY</u>		
SECRETARY OF THE ARMY:		
Stanley R. Resor	July 1965	Present
ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT):		
Eugene M. Becker	July 1967	Present
W. Brewster Kopp	June 1965	June 1967

PRINCIPAL OFFICIALS
OF THE DEPARTMENT OF DEFENSE AND
MILITARY DEPARTMENTS RESPONSIBLE
FOR LEAVE ADMINISTRATION MATTERS
DISCUSSED IN THIS REPORT (continued)

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
<u>DEPARTMENT OF THE NAVY</u>		
SECRETARY OF THE NAVY:		
Paul R. Ignatius	Sept. 1967	Present
Charles F. Baird (acting)	Aug. 1967	Sept. 1967
Robert H. B. Baldwin (acting)	July 1967	Aug. 1967
Paul H. Nitze	Nov. 1963	June 1967
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT) :		
Charles A. Bowsler	Dec. 1967	Present
Vacant	Aug. 1967	Dec. 1967
Charles F. Baird	Mar. 1966	July 1967
Victor M. Longstreet	Aug. 1962	Dec. 1965
<u>DEPARTMENT OF THE AIR FORCE</u>		
SECRETARY OF THE AIR FORCE:		
Dr. Harold Brown	Oct. 1965	Present
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT) :		
Thomas H. Nielson	Jan. 1968	Present
Leonard Marks, Jr.	June 1964	Dec. 1967