Audit Report

OFFICE OF THE INSPECTOR GENERAL

CASH ACCOUNTABILITY IN THE DEPARTMENT OF DEFENSE, DISBURSING SYMBOL STATION NUMBER 6351, FINANCE AND ACCOUNTING OFFICE, FORT BELVOIR, VIRGINIA

Report No. 94-058 March 17, 1994

Department of Defense

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MEMORANDUM FOR FINANCE AND ACCOUNTING OFFICER, DIRECTORATE OF RESOURCE MANAGEMENT, FORT BELVOIR, VIRGINIA

SUBJECT: Audit Report on Cash Accountability in the Department of Defense, Disbursing Symbol Station Number 6351, Finance and Accounting Office, Fort Belvoir, Virginia (Project No. 3FG-2019.04)

Introduction

We are providing this final report on the subject audit for your review. The total value of cash on hand in the vault was $32,845.68, and the imprest fund contracting office was valued at $1,000. This report is part of our audit of cash accountability within the Department of Defense, and the results of this audit will be included in a consolidated report.

Audit Results

Our surprise audit on December 16, 1993, disclosed no discrepancies in the handling of funds in the Finance and Accounting Office Disbursing Symbol Station Number 6351, Fort Belvoir, Virginia, or the imprest fund at the base contracting office. The cash on hand in the disbursing office when the count was made equaled the amount of money authorized to be in the disbursing office. Control over the disbursing office was adequate. The imprest fund controls were adequate in that vouchers were properly approved, disbursements were made only for authorized purchases, and disbursements were supported by receipts.

Objectives

Our objectives were to verify the accountability for cash and related assets and to evaluate the adequacy of procedures used to determine the accuracy of records used to support cash accountability at Department of Defense accounting offices and organizations with imprest funds. We also assessed compliance with applicable laws and regulations, and evaluated the Internal Management Control program management as it pertained to the audit objectives.

Scope and Methodology

This financial related audit was made for the disbursing office located at Fort Belvoir, Virginia. The disbursing office is Disbursing Symbol Station Number 6351. We made an unannounced cash count on December 16 1993, of the disbursing office valued at $32,845.68, verifying cash only. In addition, on

that date, we reviewed the vouchers and receipts on hand in the imprest fund, valued at $1,000. We also reviewed the DD Form 1081, "Statement of Agent Officer's Account," and verified the appointment letters establishing the principal imprest fund cashier and the alternate cashier. This audit was made in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, Department of Defense, and accordingly, included such tests of internal controls as were considered necessary. No computer-processed information was involved.

Internal Controls

Internal controls over the disbursing office and the related imprest fund were adequate in that the vouchers were properly approved and purchases were for authorized items and were supported by receipts. We reviewed physical controls over the disbursing office and imprest fund cashier area. We reviewed the procedural controls over security, including procedures for the opening and closing of security containers. Regulations require that combinations for safes and vaults be changed every 12 months, and the combinations were changed as required. Cash verification files for the previous 12 months confirmed that unannounced cash counts by teams appointed by the base commander had been accomplished. The Internal Management Control program generally complied with applicable regulations.

Prior Audits and Other Reviews

The Inspector General, Department of Defense, has not performed any audits in this area during the past 5 years.

Background

The Defense Finance and Accounting Service has overall responsibility to manage the Department of Defense cash and related assets. Policies and guidance governing disbursing offices and imprest funds are set forth in the Federal Acquisition Regulations and the Department of Defense Directive 7360.10, "Disbursing Policies," January 17, 1989. Payments from the funds are to be made only for goods or services procured by properly authorized personnel and for reimbursement for travel expenses in accordance with joint travel regulations.

Discussion

For the disbursing office, we verified cash only. The review of documentation in the imprest fund included a determination that vouchers had proper approval, that receipts were available, and that totals of vouchers and cash on hand equaled the amount of money authorized in the imprest fund. Payments were for goods and services procured by authorized personnel and for payment of travel expenses. In addition, internal controls over the disbursing office and the

imprest fund were adequate, and the DoD Internal Management Control Program framework was in place. The disbursing office and the imprest fund were also in compliance with key laws and regulations applicable to cash management.

Management Comments

This report does not contain any recommendations. Accordingly, comments pursuant to the provisions of Department of Defense Directive 7650.3 are not required. However, if you choose to respond, please do so by May 16, 1994.

The cooperation and courtesies extended to the auditors during this audit are appreciated. If you have questions about this audit, please contact Mr. F. Jay Lane at (703) 693-0430 (DSN 223-0430). The distribution of the report is in the enclosure. A list of audit team members is inside the back cover.

Robert J. Lieberman
Assistant Inspector General
for Auditing

Enclosure

cc:
Director, Defense Finance and Accounting Office

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