Audit Report

OFFICE OF THE INSPECTOR GENERAL

CASH ACCOUNTABILITY IN THE DEPARTMENT OF DEFENSE, FOR THE IMPREST FUND MAINTAINED AT THE DEFENSE CONSTRUCTION SUPPLY CENTER, COLUMBUS, OHIO

Report No. 94-088 April 20, 1994

Department of Defense

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Acronym

DCSC	Defense Construction Supply Center

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884

Report No. 94-088 April 20, 1994

MEMORANDUM FOR DIRECTOR, DEFENSE CONSTRUCTION SUPPLY CENTER

SUBJECT: Audit Report on Cash Accountability in the Department of Defense, for the Imprest Fund Maintained at the Defense Construction Supply Center, Columbus, Ohio (Project No. 3FG-2019.09)

Introduction

We are providing this final report on the subject audit for your review. The total value of the audited imprest fund was $10,000. This report is part of our audit of cash accountability, and the results will be included in a consolidated report.

Audit Results

Our surprise audit on January 19, 1994, disclosed that the Defense Construction Supply Center (DCSC)-Columbus imprest fund was generally well managed, and no discrepancies were identified. Specifically, the cash and amounts on vouchers on hand in the fund when our audit was made equaled the amount of funds authorized. Controls over the fund were adequate in that vouchers were properly approved, disbursements were made only for authorized purchases, and all 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 DoD Internal Management Control Program as it pertained to the audit objectives, as prescribed by DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987.

Scope and Methodology

This financial related audit of the imprest fund maintained by DCSC-Columbus was made January 19 and 20, 1994. That imprest fund is part of Disbursing Symbol Station Number 6551, and DCSC-Columbus was the only location we visited.

We made an unannounced cash count of the $10,000 imprest fund on January 19, 1994, and reviewed all supporting vouchers and receipts on hand in

the fund when the cash count was made. Although DCSC-Columbus personnel could not provide us the DD Form 1080, "Statement of Agent Officer's Account," they did provide acceptable alternative documentation establishing the principal imprest fund cashier.

The 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 DSCS-Columbus imprest fund were generally adequate. Specifically, fund vouchers were properly approved, disbursements were made only for authorized purchases, and all expenditures were supported by receipts. Physical access to the imprest fund cashier's area was controlled, and procedural controls over security, including the opening and closing of security containers, were adequate. Safe combinations were also changed at least every 12 months as required. The Internal Management Control Program generally complied with applicable regulations.

Prior Audits and Other Reviews

The General Accounting Office, Service audit organizations, and the Inspector General, Department of Defense, have performed no audits of the DCSC-Columbus imprest fund within the last five years. However, the DCSC Internal Review Office did perform an unannounced imprest fund review in December 1993. The resulting report, "Review of the DCSC Imprest Fund, 1st Qtr. FY 1994," issued December 3, 1993, identified no discrepancies.

Background

The Defense Finance and Accounting Service is responsible for overall management of Department of Defense cash and related assets. Specific policies and guidance governing imprest funds are set forth in the Federal Acquisition Regulation and Department of Defense Financial Management Regulation 7000.14-R, volume 5, December 16, 1993. Payments from imprest funds are to be made only for allowable travel expenses and goods and services procured by properly authorized personnel.

Discussion

The DCSC-Columbus imprest fund was generally well managed. Specifically, totals of cash and vouchers on hand in the fund when our audit was made equaled the amount of funds authorized; vouchers were properly approved; disbursements were made only for authorized purchases; all expenditures were

supported by receipts; and other imprest fund internal controls (for example, physical security and changing of safe combinations) were adequate. The imprest fund was also in compliance with all known laws and regulations, and the DoD Internal Management Control Program framework was in place.

Management Comments

This report contains no 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 20, 1994.

We appreciate the cooperation and courtesies extended to the audit staff. If you have any questions about this report, please contact Mr. Richard B. Bird, Program Director, at (317) 542-3859 (DSN 699-3859) or Mr. Stephen A. Delap, Project Manager, at (614) 693-4856 (DSN 869-4856). Should you desire it, we will give you a formal briefing on the results of this audit within 15 days of the date of this memorandum. 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 Service

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