

9 January 1954

MEMORANDUM TO: CAG/Deputy Director (Plans)

ATTENTION: []

SUBJECT: Audit Report of Project ABACRS

REFERENCES:

- a. DDP/A memo, same subject, to C/SR/Admin dated 23 November 1953.
- b. Subject Audit from Audit Office to Chief, I & S, dated 23 September 1953.

1. Reference is made to paragraph 20 of reference (b) on the audit of SR Project ABACRS. The following paragraphs represent an interim report on the administrative actions taken by [], Finance Officer on the Domestic Operations Base. This memorandum is in reply to your request in reference (a).

a. The [] accountings in the amount of \$11,425.93 were originally submitted to Finance Division during October 1952. Because of the lack of an administrative plan, the then SR Certifying Officer felt that an audit of the accountings would not be wise at that time. After a period of six months, the uncertified accountings were informally returned to SR/DOB. At the time of the ABACRS Audit, [] of the Audit Office, noting that the accountings were still being held at the DOB station, suggested that they be returned to the Certifying Officer for formal audit, in spite of the fact that the Administrative Plan was still pending approval. His suggestion was carried out by SR within two weeks after the audit.

b. [] prepared and submitted accountings for the period January through May of 1953. The June, July and August accountings were also prepared but were retained at DOB by [] as a result of his discussion with [] of Finance Division and [], Chief, SR Budget and Finance Section. They believed unanimously that it would be wiser to retain the accountings pending the approval of the Administrative Plan thereby eliminating suspensions by Finance Division and reclaim vouchers by DOB. Since the ABACRS Audit, however, the June, July and August accountings have been submitted to Finance Division. Furthermore, all subsequent accountings have been submitted at the end of each month.

c. In compliance with the suggestion of [] a cash box has been purchased and is being utilized by the DOB Finance Office.

d. It has been determined by the Chief, SR/DOB with the concurrence of the Audit Office that the cashing of personal checks is feasible and is not in contradiction to normal agency procedure.

e. A cash journal has been purchased for entries of outstanding advances made on accounts of employees. This journal has been in use for at least two months, reflecting activity and balances both individually and collectively on a current basis.

f. As of the date of the AEACRE audit, all accountings have been balanced with the cash book prior to their transmittal to Finance Division.

g. With the contemplated class B station designation, it is still not probable that another arrangement could be formulated, since a certifying officer will not be present [redacted] If such were the case, then a cash payment could be accomplished immediately upon station pre-audit. The present arrangement of advancing travel funds at DOB creates no undue hardship and most certainly localizes the traveler's account. Since all reimbursement checks must clear through the Finance Staff of DOB, it is reasonable to assume that no financial activity will fail to be reflected in the maintenance of the individual account balances. Furthermore, such action was accepted as approved procedure by the PAPS conference for review of the Administrative Plan.

h. Since it is expected that the overdue approval of an administrative plan should be accomplished within the subsequent month, it is not anticipated that a reply to audit exception will be made until after such approval. Since it is contemplated that approval of the Administrative Plan will clear the outstanding exceptions previously taken on accountings, it is not anticipated that other than nominal explanation will be necessary to remove such exceptions and suspensions from the account.

i. A separate report on the status of the "certified inventory sheets" was sent by [redacted] to the SR Logistics Section and the Audit Office.

2. The present status of the Administrative Plan is uncertain. A revised plan was signed by various representatives in a conference held by PAPS late in 1953. [redacted] reported to SR in December that higher echelon was questioning some provisions prior to approval. SR would prefer to have some plan approved now with disputed provisions to be the subject of a later amendment.

3. A copy of this memorandum is being forwarded to the Office of the Comptroller. [redacted] has requested this report in accordance with a memorandum of ADD/A to the Comptroller.

/s/
[redacted]
Chief, SR/Administrative Staff

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