



**U.S. Department of the Interior
Office of Inspector General**

SURVEY REPORT

**FIRE FIGHTER PAYROLL,
ALBUQUERQUE AREA OFFICE,
BUREAU OF INDIAN AFFAIRS**

**REPORT NO. 96-I-1082
AUGUST 1996**



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

AUG - 7 1996

MEMORANDUM

TO: The Secretary

FROM: Wilma A. Lewis
Inspector General

SUBJECT SUMMARY: Final Survey Report for Your Information - "Fire Fighter Payroll, Albuquerque Area Office, Bureau of Indian Affairs" (No. 96-I-1082)

Attached for your information is a copy of the subject final survey report. The objective of the review was to determine whether the Bureau of Indian Affairs was ensuring that fire fighter payroll checks were protected from misuse and whether fire fighter payment transactions were recorded accurately and timely.

We found that the Albuquerque Area Office adequately protected fire fighter payroll checks, accurately recorded fire fighter payment transactions, and improved the timeliness of its submission of fire fighter payroll vouchers to the Bureau's Division of Accounting Management. Specifically, blank payroll checks were properly secured, and internal controls were adequate to ensure that payroll disbursements were proper and accurate. In addition, the Area Office significantly reduced the voucher processing time during 1995. The report contained no recommendations.

If you have any questions concerning this report, please contact me or Mr. Robert J. Williams, Acting Assistant Inspector General for Audits, at (202) 208-5745.

Attachment



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OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

AUG - 7 1996

SURVEY REPORT

Memorandum

To: Assistant Secretary for Indian Affairs

From: Judy Harrison *Judy Harrison*
Assistant Inspector General for Audits

Subject Final Survey Report on Fire Fighter Payroll, Albuquerque Area Office,
Bureau of Indian Affairs (No. 96-I-1082)

INTRODUCTION

This report presents the results of our survey of fire fighter payroll disbursement activities for the Bureau of Indian Affairs Albuquerque Area Office. We initiated the review because of Bureau delays in processing payment vouchers for fire fighter payroll that we found during our audit of the Bureau's financial statements for fiscal years 1993 and 1994. The objective of the review was to determine whether the Bureau was ensuring that payroll checks were protected from misuse and whether fire fighter payment transactions were recorded accurately and timely.

BACKGROUND

The Bureau is permitted to hire fire fighters specifically for a fire incident. These fire fighters are classified as "casual" employees because their employment is temporary and their employment is terminated as soon as the incident is over. Individuals hired as fire fighters are required to pass a medical examination, a physical fitness test, and minimum training requirements.

Bureau Assistant Disbursing Officers (ADO) are permanent Bureau employees who have been designated by the Department of the Treasury Financial Management Service to disburse payroll checks to fire fighters. An ADO is under the technical supervision of the Financial Management Service for those activities pertaining to disbursement functions, such as the custody, issuance, accounting for, and reporting of Treasury checks. The Financial Management Service ADO Handbook provides detailed guidance and procedures for ADOs on payroll disbursement functions.

According to the Handbook, ADOs are required to complete a Form SF-1166 disbursement voucher, which must be signed by a designated Bureau Certifying Officer. The Certifying Officer is responsible for ensuring that the vouchers are correct and that the proposed payments are charged to the proper appropriations or funds involved.

The Bureau has 50 ADOs at 36 of its 95 area and agency offices. During fiscal year 1995, the Bureau expended about \$11.9 million for fire fighter payroll. Of that amount, \$5.1 million was expended by the Albuquerque Area Office and its nine agencies. The Albuquerque Area Office ADO processed fire fighter payroll for seven of the nine agencies in the Area. The Zuni and Mescalero Agencies had their own ADOs who processed payroll. These two agencies are authorized to process fire fighter payroll because of the high number of fire incidents at those locations.

SCOPE OF SURVEY

Our survey was made in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances. We sampled and reviewed voucher files for fire fighter payroll for the period April 1994 through December 1995, observed payroll disbursement procedures, and discussed payroll procedures with personnel responsible for fire fighter payroll disbursements. Our survey was performed during March through April 1996 at the Bureau's Albuquerque Area Office; the Zuni Agency in Zuni, New Mexico; and the Mescalero Agency, in Mescalero, New Mexico.

In addition, we reviewed the Secretary's Annual Statement and Report to the President and the Congress, required by the Federal Managers' Financial Integrity Act, for fiscal year 1995 and determined that there were no reported weaknesses related to the objective and scope of our survey.

PRIOR AUDIT COVERAGE

Neither the Office of Inspector General nor the General Accounting Office has issued a report in the past 5 years concerning financial or administrative activities of the Bureau's fire fighter payroll. However, our audit of the Bureau's financial statements for fiscal years 1993 and 1994 disclosed significant delays in the Bureau's processing of fire fighter payroll disbursements.

RESULTS OF SURVEY

We concluded that the Albuquerque Area Office adequately protected fire fighter payroll checks, accurately recorded fire fighter payment transactions, and improved the timeliness of its submission of fire fighter payroll vouchers to the Division of Accounting Management and the U.S. Treasury. Specifically, we found that blank payroll checks were maintained in locked combination safes; a minimum of two independent reviews were performed on time sheets and disbursement vouchers; adequate separation of duties existed between time sheet approval, check signature, and disbursement voucher certification; disbursements recorded in the Bureau's financial system were reconciled with Treasury balances; and time sheets and check carbons were maintained to support disbursements. In addition, the Albuquerque Area Office significantly reduced the average number of days for processing fire fighter payroll vouchers from 33 days in 1994 to 6 days in 1995.

Our review disclosed immaterial internal control weaknesses, which we discussed with the Acting Albuquerque Area Director on May 10, 1996. The Acting Area Director has implemented steps to correct these weaknesses,

Since this report does not contain any recommendations, no response is required.

The legislation, as amended, creating the Office of Inspector General requires semiannual reporting to the Congress on all audit reports issued, the monetary impact of audit findings, actions taken to implement audit recommendations, and identification of each significant recommendation on which corrective action has not been taken.

We appreciate the cooperation of Bureau personnel in the conduct of our audit.

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