

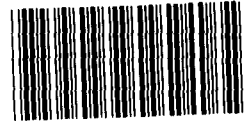
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United States
General Accounting Office
Washington, D.C. 20548

Accounting and Financial
Management Division

B-248717



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August 20, 1992

Lieutenant General Wilson A. Shoffner, USA
Commander
Combined Arms Command and Fort Leavenworth
Fort Leavenworth, KS 66027-5012

Dear General Shoffner:

We recently completed an audit of the Department of the Army's fiscal year 1991 consolidated financial statements pursuant to the Chief Financial Officers Act of 1990 (Public Law 101-576). One purpose of these statements and our audit is to provide agency managers and the Congress with complete and reliable information to use in financing, managing, and evaluating Army programs. In order to do this effectively, the accounting records throughout the Army need to be as accurate as possible. During our audit, we identified adjustments necessary to correct the accounting records at 23 Army locations.

We presented adjustments to correct the Army's consolidated financial statements in a May 19, 1992, management letter (GAO/AFMD-92-68ML) to the Assistant Secretary of the Army for Financial Management and the Director, Defense Finance and Accounting Service. However, many of these adjustments were projections based upon statistical samples performed as part of our audit and were made only to the consolidated financial statements, not to the underlying records.

Enclosure I shows about \$458,000 of adjustments made to the financial statements that also need to be recorded to correct the accounting records at Fort Leavenworth. We have discussed these adjustments with your staff and provided them with supporting documentation. They may have already recorded the adjustments. However, both of the adjustments should be made by the end of fiscal year 1992. If you have any questions or require our assistance in resolving these matters, please contact Terry Carnahan, Acting Associate Director, on (202) 275-7095.

Please provide us your comments on these matters and a description of the actions taken within 30 days of the date of this letter. We are sending copies of this letter to the

GAO/AFMD-92-101ML

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Assistant Secretary of the Army for Financial Management;
the Director, Defense Finance and Accounting Service; and
the Comptroller of the Army.

Sincerely yours,



David M. Connor
Director, Defense Financial Audits

Enclosure

FORT LEAVENWORTH, KANSAS
LIST OF PROPOSED GENERAL LEDGER
ADJUSTMENTS RESULTING FROM 1991
FINANCIAL STATEMENT AUDIT

NO. ACCOUNT TO BE ADJUSTED	GLAC	AMOUNTS		EXPLANATION
		DEBIT	CREDIT	
1 Inventory for agency ops	1510	248,191.98		To adjust general ledger in which stock fund inventory is understated.
Inventory gains	7191.71		248,191.98	
2 Equipment in use	1762	209,844.85		To adjust for an incorrect value which was reported for the Media Support Center's property book.
Transfers in	3220		209,844.85	
TOTAL ADJUSTMENTS		458,036.83	458,036.83	

Note: General ledger account 3220 (transfers in) is an equity account.