

Office of Inspector General U.S. Government Accountability Office Report Highlights

December 15, 2016

RESERVIST DIFFERENTIAL PAY

Policies and Procedures are Needed to Prevent or Detect Errors and Overpayments

Objective

As the second in a series of debt collection audits, this report addresses the extent to which GAO has established effective controls to prevent or detect reservist differential errors and overpayments and collect any resulting debt.

What OIG Found

GAO had not established policies to help ensure compliance with all applicable provisions of the reservist differential law. Further, when the Human Capital Office (HCO) determined that reservist differentials were due and payable, it lacked written procedures for:

- determining eligibility for differential pay,
- computing the differential payment amounts,
- verifying accuracy of payment computations, and
- reviewing and approving payments before the payments were made.

As a result, reservist differential payments to eligible employees were incorrectly calculated or improperly paid, resulting in errors that were not identified by HCO and debt owed to the agency.

What OIG Recommends

OIG recommends that GAO take the following actions to prevent or detect reservist differential errors and overpayments: develop and implement (1) policies to ensure compliance with all applicable provisions of the reservist differential law and (2) procedures for implementing GAO's reservist differential pay policy. Such procedures should establish internal controls, including steps for determining eligibility for differential pay, computing and verifying the accuracy of differential payment amounts due, reviewing and approving payments, and maintaining information relevant to differential pay determinations. In its written comments to the report, GAO did not address OIG's first recommendation. However, in response to OIG's second recommendation, GAO noted that it has drafted and is refining standard operating procedures that will ensure accurate eligibility determinations and calculations in the future.

