Chapter 9
INTERNAL CONTROL AND AUDIT

Section 901. Examination Prior to Payment.

.01 General. The primary objective of an administrative examination of
vouchers and other disbursement documents prior to payment is to
provide assurance that the Government is being protected; that the
claim represents a valid obligation of the United States; that
funds from which the proposed payment is to be made are available
for the purpose; and that payment is being made pursuant to appli-
cable laws, regulations and directives. The importance of a
thorough examination cannot be overemphasized. A proper examina-
tion will, in all probability, enable the General Accounting Office
to complete an audit promptly, whereas a careless, haphazard
examination may result in numerous exceptions and delays in the
final audit and clearance of the accounts. Section 203 of Chap-
ter 2 and Sections 604 to 609 of Chapter 6, of this Part of the
Manual, contain detailed information and instructions on the
preparation of vouchers and other basic material.

.02 Reference Material. In order to perform an adequate administrative
examination, the voucher examiner must have available the necessary
reference material and must be fully acquainted with the rules,
regulations, and procedures contained in such material. Among the
material which the examiner should have available are the following:

A. Copies of applicable appropriation laws.
B. Executive Order 9805, as amended.
C. General Regulations of the General Accounting Office.
D. Copies of applicable Accounts and Procedures Letters and
   Accounting Systems Memoranda of the General Accounting Office.
E. Copies of all published Comptroller General decisions and all
   unpublished decisions applicable to the Bureau of Indian
   Affairs.
F. A current file of procurement regulations, bulletins, and
   suppliers schedules relative to purchases from General Services
   Administration, Bureau of Federal Supply, Committee on Purchases

AUG 3 1951
Section 902. Administrative Examination of Accounts.

.01 General. Pursuant to the authority contained in Section 119 of the Accounting and Auditing Act of 1950 (Public Law 784, approved September 12, 1950), the accounting offices and positions in the list attached to this Section have been designated to receive, examine, reconcile and approve fiscal officers' accounts (Exhibit A).

.02 Decentralization of Administrative Examination. The primary basic criteria for the decentralization of the administrative examination of accounts are (1) that designated operating procedures are established to assure that all financial transactions will be completely reviewed and audited prior to payment or deposit and recording on the accounting records, (2) formal procedures are in force to provide a reconciliation of disbursing officers' accounts current with the accounting records prior to approval, and (3) internal procedures are in effect to determine that the requirements under (1) and (2) above are being followed.

.03 Regional Disbursing Officer's Account. Upon receipt of the original account current from the Regional Disbursing Office, the amounts shown thereon shall be reconciled with balances in the general ledger accounts maintained at the designated accounting office. Discrepancies should be immediately called to the attention of the Regional Disbursing Officer with complete details. When the reconciliation of the account current has been completed, it should be certified by the designated officer in the space provided therefor and the date of certification shall be shown. The account current shall be reconciled and certified not later than twenty days after receipt by the designated official. This reconciliation and certification of the accounts does not contemplate or require an administrative post audit of individual documents. Under the on-site audit procedures, the accounts current, all vouchers, contracts, schedules, and other supporting documents shall be retained at the designated accounting offices. These records, with the exception of vouchers, covering transportation services and supporting documents, are to be retained for a period of six years unless circumstances at a later date should require the fixing of a different period not in excess of ten years, and then are to be subject to disposition as directed by the General Accounting Office. Vouchers covering transportation services will be forwarded to the General Accounting Office immediately after the close of the fiscal year unless designated accounting offices are otherwise instructed. It will be necessary that certain of the retained records be available to accredited representatives of the Comptroller General, or forwarded upon request of the General Accounting Office, for their use in investigation of financial transactions,
the settlement of accounts and claims, the rendering of decisions, 
consideration of cases under litigation or other matters pertaining 
to the functions of that office. Any expenses incident to the trans-
portation or servicing of such records are required to be borne by 
the field office concerned.

A. Reconciliation of Account Balances. A statement to effect a 
reconciliation of account current balances with the balances 
shown on the accounts of the accounting office shall be prepared 
at each office designated to receive, examine, reconcile and 
approve fiscal officer's accounts. A separate reconciliation 
shall be prepared for each account listed on the account cur-
rent and shall be filed with the account current at the loca-
tion where the accounting records are maintained. Forms for 
use in making the reconciliation are attached to this Section 
(Exhibit B and C). These forms may be reproduced locally in 
such quantities as may be necessary. Exhibit C may be repro-
duced on the reverse of Exhibit B if desired.

.04 Indian Bureau Special Disbursing Agent's Account. Indian Bureau 
Special Disbursing Agent's accounts current and supporting docu-
ments shall be assembled at the accounting office. After the 
account has been reconciled, examined, and approved, the certifi-
cate on the reverse of the account current in the block entitled,
"Examined and Approved" shall be signed and dated by the designated 
officer not later than ten days after receipt by this official.
Under the on-site audit procedures the original account current 
and all supporting documents shall be retained at the designated 
accounting office (see sub-section .03 above). One legible signed 
copy of the account current, however, shall be transmitted to the 
Treasury Department, Bureau of Accounts, Division of Bookkeeping 
and Warrants, Washington 25, D. C.

A. Reconciliation of Subsidiary Account Balances. When sub-
sidiary Individual Indian Accounts and Deposit Fund Accounts 
are maintained at points other than the office of the Special 
Disbursing Agent, a monthly statement of reconciliation must 
be prepared and submitted by a deputy disbursing agent who is 
charged with the responsibility for the maintenance of the 
subsidiary accounts. A form for use in making such a recon-
ciliation statement is attached to this Section (Exhibit D). 
This form may be reproduced locally in such quantities as may 
be necessary. This report must be promptly reconciled with 
the general ledger control accounts and filed with the account 
current for review by interested auditors.
**BUROE OF INDIAN AFFAIRS**

List of Accounting Offices and Positions Designated to Receive, Examine, Reconcile, and Approve Fiscal Officers' Accounts as of November 1, 1951

<table>
<thead>
<tr>
<th>Accounting Office</th>
<th>Official to Receive Accounts Current</th>
<th>Finance Office Station Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aberdeen Area Office</td>
<td>Area Director Aberdeen, South Dakota</td>
<td>20-1-1</td>
</tr>
<tr>
<td>Albuquerque Area Office</td>
<td>Area Director Federal Building Albuquerque, New Mexico</td>
<td>20-2-1</td>
</tr>
<tr>
<td>Anadarko Area Office</td>
<td>Area Director Federal Building Anadarko, Oklahoma</td>
<td>20-3-1</td>
</tr>
<tr>
<td>Osage Agency</td>
<td>Superintendent Pawhuska, Oklahoma</td>
<td>20-3-2</td>
</tr>
<tr>
<td>Billings Area Office</td>
<td>Area Director 804 North 29th Street Billings, Montana</td>
<td>20-4-1</td>
</tr>
<tr>
<td>Juneau Area Office</td>
<td>Area Director Juneau, Alaska</td>
<td>20-5-1</td>
</tr>
<tr>
<td>Menominee Agency</td>
<td>Superintendent Neopit, Wisconsin</td>
<td>20-6-2</td>
</tr>
<tr>
<td>Red Lake Agency</td>
<td>Superintendent Red Lake, Minnesota</td>
<td>20-6-3</td>
</tr>
<tr>
<td>Muskogee Area Office</td>
<td>Area Director Federal Building Muskogee, Oklahoma</td>
<td>20-7-1</td>
</tr>
<tr>
<td>Phoenix Area Office</td>
<td>Area Director P. O. Box 7007 Phoenix, Arizona</td>
<td>20-8-1</td>
</tr>
</tbody>
</table>

**NOV 27 1951**
<table>
<thead>
<tr>
<th>Location</th>
<th>Position and Details</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland Area Office</td>
<td>Area Director&lt;br&gt;Swan Island Bldg. 1&lt;br&gt;Portland 18, Oregon</td>
<td>20-9-1</td>
</tr>
<tr>
<td>Klamath Agency</td>
<td>Superintendent&lt;br&gt;Klamath Agency, Oregon</td>
<td>20-9-2</td>
</tr>
<tr>
<td>Sacramento Area Office</td>
<td>Area Director&lt;br&gt;Federal Building&lt;br&gt;Sacramento, California</td>
<td>20-10-1</td>
</tr>
<tr>
<td>Window Rock Area Office</td>
<td>Area Director&lt;br&gt;Window Rock, Arizona</td>
<td>20-11-1</td>
</tr>
<tr>
<td>Intermountain School</td>
<td>Superintendent&lt;br&gt;P. O. Box 345 &lt;br&gt;Brigham City, Utah</td>
<td>20-11-2</td>
</tr>
<tr>
<td>Washington Office</td>
<td>Chief, Branch of&lt;br&gt;Budget and Finance&lt;br&gt;Bureau of Indian Affairs&lt;br&gt;Department of the Interior&lt;br&gt;Washington 25, D. C.</td>
<td>20-25-1</td>
</tr>
</tbody>
</table>

Note: The first digits, 20, represent the number assigned to the Bureau of Indian Affairs; the second digits represent the Area number; and the third digits represent the station number.
**EXHIBIT B**

**VERIFICATION OF ACCOUNTS CURRENT AND RECONCILIATION OF BALANCE DUE U.S.**

**XYZ Administration**

<table>
<thead>
<tr>
<th>Appropriation (Symbol)</th>
<th>General Ledger Balance 2-28-51 (Date)</th>
<th>In Transit Items (as per detailed schedule in agency files)</th>
<th>Exceptions or Differences (Explained in attached schedule)</th>
<th>Balance Due U.S. As Reported On Accounts Current</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Debits</td>
<td>Credits</td>
<td>Debits</td>
</tr>
<tr>
<td>A</td>
<td>$977,370.27</td>
<td>$100.00</td>
<td>$1,547.94</td>
<td>-</td>
</tr>
<tr>
<td>B</td>
<td>446,047.28</td>
<td>-</td>
<td>61.25</td>
<td>-</td>
</tr>
<tr>
<td>C</td>
<td>368,212.69</td>
<td>-</td>
<td>46.75</td>
<td>-</td>
</tr>
<tr>
<td>D</td>
<td>69,036.01</td>
<td>-</td>
<td>-</td>
<td>$252.90</td>
</tr>
<tr>
<td>E</td>
<td>955,017.61</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$2,815,683.86</strong></td>
<td><strong>$100.00</strong></td>
<td><strong>$1,655.94</strong></td>
<td><strong>$252.90</strong></td>
</tr>
</tbody>
</table>

I certify the foregoing analysis is correct.

[Signature]
**SCHEDULE OF ITEMS SUMMARIZED**

**UNDER THE HEADING EXCEPTIONS OR DIFFERENCES**

**RELATING TO THE ACCOUNTS CURRENT OF THE MONTH OF **February, 1951**

<table>
<thead>
<tr>
<th>Agency</th>
<th>XYZ Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location of General Ledger Account</td>
<td>Atlanta, Ga.</td>
</tr>
<tr>
<td>Disbursing Officer Location</td>
<td>Atlanta, Ga.</td>
</tr>
<tr>
<td>Symbol</td>
<td>406</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Appropriation</th>
<th>Reference</th>
<th>Description of Items</th>
<th>Amount</th>
<th>Action Taken to Adjust</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>No. 333</td>
<td>Form 1096 No. 333 incorrectly summarized on XYZ Administration schedule as a credit to Appropriation &quot;E&quot;, should have been credited to Appropriation &quot;D&quot;</td>
<td>$252.90</td>
<td>S.F. 1097 No., submitted to the Disbursing Officer and accomplished during the month of __________.</td>
</tr>
<tr>
<td>E</td>
<td>&quot;</td>
<td>&quot;</td>
<td></td>
<td>&quot;</td>
</tr>
</tbody>
</table>
