



## Financial Management: Poor Internal Controls Expose Department of Education to Improper Payments: Gao-01-1151

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By -

BiblioGov. Paperback. Book Condition: New. This item is printed on demand. Paperback. 32 pages. Dimensions: 9.7in. x 7.4in. x 0.1in. Internal control weaknesses in the Department of Education's payment processes make the department vulnerable to improper payments. GAO focused on three types of disbursements made from May 1998 through September 2000--grants and loans totaling 181.4 billion, third party drafts totaling 55 million, and government purchase card transactions totaling 22 million. In the grant and loan area, edit checks and other key controls were missing from Education's payment system. For example, Education's student aid application processing system lacked an automated edit check that would identify students who were much older than expected. Several internal control weaknesses made the third party draft payment process susceptible to improper payments. GAO found 268 instances involving 8.9 million in which Education employees circumvented a system control designed to avoid duplicate payments. While analyzing Education's use of government purchase cards, GAO also found several internal control weaknesses, including serious deficiencies in the department's process for reviewing and approving purchase card transactions. More than one-third of the 903 purchase cardholders' monthly statements reviewed lacked proper review and approval for payment. GAO summarized this report in testimony...

### Reviews

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