

**Audit**



**Report**

OFFICE OF THE INSPECTOR GENERAL

**INVENTORY CONTROLS AT MOFFETT FIELD  
COMMISSARY STORE, SUNNYVALE, CALIFORNIA**

Report No. 93-129

June 25, 1993

**Department of Defense**

## **Acronyms**

DeCA	Defense Commissary Agency
NCR	National Cash Register
SAVES	Standard Automated Voucher Examination System
SBCJ	Store Block Control Journal
UPC	Uniform Product Code



INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
ARLINGTON, VIRGINIA 22202

June 25, 1993

MEMORANDUM FOR DIRECTOR, DEFENSE COMMISSARY AGENCY

SUBJECT: Report on Inventory Controls at Moffett Field Commissary Store, Sunnyvale, California (Report No. 93-129)

We are providing this final report for your information and use. It is part of the Audit of the Fiscal Year 1993 Financial Statements for Defense Commissary Agency Operations. The report addresses internal controls for inventory at the Moffett Field Commissary Store, Sunnyvale, California. This audit was done as part of a review requested by the Office of the Special Counsel of certain alleged activities at the Moffett Field Commissary Store. A copy of this report will be provided to the Office of the Special Counsel.

Comments on a draft of this report conformed to the requirements of DoD Directive 7650.3, and there are no unresolved issues. Therefore no additional comments are required, however, if you wish to provide further comments please provide them by July 25, 1993.

The courtesies and cooperation extended to the audit staff are appreciated. If you have any questions regarding this report, please contact Mr. Robert J. Ryan at (703) 692-3457 (DSN 222-3457) or Mr. Walter R. Loder at (703) 692-3387 (DSN 222-3387). Copies of this report will be distributed to the activities shown in Appendix C.

A handwritten signature in cursive script that reads "Robert J. Lieberman".

Robert J. Lieberman  
Assistant Inspector General  
for Auditing



**Office of the Inspector General, DoD**

Report No. 93-129  
Project No. 3LA-2002.01

June 25, 1993

**INVENTORY CONTROLS AT MOFFETT FIELD  
COMMISSARY STORE, SUNNYVALE, CALIFORNIA**

**EXECUTIVE SUMMARY**

**Introduction.** This report is being issued as part of our Audit of the Fiscal Year 1993 Financial Statements for Defense Commissary Agency Operations. The report addresses internal controls for inventory at the Moffett Field Commissary Store, Sunnyvale, California. The audit was part of a review requested by the Office of the Special Counsel of certain alleged activities at the Moffett Field Commissary Store.

**Objective.** The audit objective was to evaluate the internal controls and systems for controlling and recording the Defense Commissary Agency's (DeCA) financial information used in required financial statements. Specifically, we evaluated the adequacy of internal controls for controlling and accounting for inventory at the Moffett Field Commissary Store.

**Audit Results.** Controls over data input for merchandise receipts and meat management need improvement. Specifically,

Vendor merchandise receipt information was not entered into the Standard Automated Voucher Examination System (SAVES) in a timely manner, which could lead to DeCA making late payments (Finding A).

Sales information was not available to properly manage the meat department, which resulted in the overordering and excessive inventories of meat (Finding B).

**Internal Controls.** The audit identified material internal control weaknesses as defined by Public Law 97-255, Office of Management and Budget Circular A-123, and DoD Directive 5010.38. Controls were not effective to ensure timely input of receipt information into the DeCA bill paying system or ensure proper management of meat and meat products. See Findings A and B for a discussion of material weaknesses, and Part I for a description of controls assessed.

**Potential Benefits of Audit.** Implementation of the recommendations in this report will improve Moffett Field Commissary Store's timeliness of receipt processing and the operational efficiency of the meat department. The report does not identify any potential monetary benefits (Appendix A).

**Summary of Recommendations.** We recommended that management of the Moffett Field Commissary Store properly prioritize receipt processing and load uniform product codes for meat products into the computerized scanning system to provide detailed sales data to meat department management.

**Management Comments.** The Director, DeCA, concurred with our recommendations to direct personnel at the Moffett Field Commissary Store to enter receipts into SAVES within 24 hours, require the Southwest Region to monitor the Moffett Field Commissary Store receipt data input, and obtain assistance from the National Cash Register Corporation in uploading the

Uniform Product Codes for meat into the computerized customer checkout system. The Director did not agree with our recommendation to maintain records of markdowns and spoilage, but suggested alternative procedures.

**Audit Response.** The management response is acceptable and meets the intent of the audit recommendations. Therefore, no further comments are required.

# Table of Contents

---

Executive Summary	i
<b>Part I - Introduction</b>	<b>1</b>
Background	2
Objective	2
Scope	2
Internal Controls	3
Prior Audits and Other Reviews	3
<b>Part II - Findings and Recommendations</b>	<b>5</b>
Finding A. Receipt Input into the Standard Automated Voucher Examination System	6
Finding B. Meat Accountability	10
<b>Part III - Additional Information</b>	<b>13</b>
Appendix A. Summary of Potential Benefits Resulting from Audit	16
Appendix B. Organizations Visited or Contacted	17
Appendix C. Report Distribution	18
<b>Part IV - Management Comments</b>	<b>21</b>
Defense Commissary Agency	22

This report was prepared by the Logistics Support Directorate, Office of the Inspector General for Auditing, DoD. Copies of the report can be obtained from the Secondary Reports Distribution Unit, Audit Planning and Technical Support Directorate at (703) 614-6303 (DSN 224-6303).



## **Part I - Introduction**

---

## **Background**

The Defense Commissary Agency (DeCA) purchases name brand grocery items and resells them to commissary patrons at prices approximating cost. The goal of the commissary system is to provide grocery items to authorized customers at a 25-percent discount from grocery items available in the private sector. The commissary purchases groceries, meats, and produce from private vendors using a variety of contracting methods. The estimated FY 1993 annual sales for the Southwest Region, Moffett Field Commissary Store, Sunnyvale, California, are \$25.6 million.

## **Objective**

The audit objective was to evaluate the internal controls and systems for controlling and recording DeCA's financial information used in required financial statements. Specifically, we evaluated the adequacy of internal controls for controlling and accounting for grocery, meat, and produce inventory at the Moffett Field Commissary Store.

## **Scope**

We reviewed the grocery, meat, and produce departments' inventory controls at the Moffett Field Commissary Store for the period of October 1992 through January 1993. We evaluated inventory controls through interviews and reviews of documentation.

We performed this financial related audit from January to March 1993 in accordance with financial auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD, and accordingly included such tests of internal controls as were considered necessary. Organizations visited or contacted during the audit are shown in Appendix B.

## **Internal Controls**

The audit disclosed material internal control weaknesses as defined by Public Law 97-255, Office of Management and Budget Circular A-123, and DoD Directive 5010.38. Controls were not effective to ensure timely input of receipt information into the DeCA bill paying system or to ensure the proper managing of meat and meat products as required by DeCA Directives. No monetary benefits were identified. The internal controls we tested for the grocery and produce department inventory were adequate during the period of our review. A copy of this final report will be provided to the senior official responsible for internal controls within DeCA.

## **Prior Audits and Other Reviews**

There have been no audits of the Moffett Field Commissary Store in the last 5 years.



## **Part II - Findings and Recommendations**

---

## **Finding A. Receipt Input into the Standard Automated Voucher Examination System**

The Moffett Field Commissary Store was not entering vendor merchandise receipt information into the Standard Automated Voucher Examination System (SAVES) in accordance with time requirements established in DeCA policy. The delay in data entry occurred because the Moffett Field Commissary Store managers directed employees to work on other assignments. Late entry of merchandise receipts could result in DeCA making late payments, causing unnecessary interest expense, and losing vendor discounts.

### **Background**

DeCA uses an automated bill paying system, SAVES, to authorize payments by the Defense Finance and Accounting Service - Columbus Center, based on the matching of a valid vendor invoice and merchandise receipt data by the DeCA service centers. Invoices are input at the service centers, while receipts data are input at the commissary stores for transmission to the service centers. The Southwest Region can access SAVES to obtain data such as date of receipt of merchandise at the store.

In accordance with the Prompt Payment Act of 1982, the prompt processing of invoices and receipts is necessary to avoid the payment of interest. Prompt processing also allows DeCA to deduct from vendor payments any economic vendor discounts.

DeCA has two general categories of vendor receipts, daily and bi-weekly roll-ups. Daily receipts are vendor merchandise receipts that are processed for individual deliveries to grocery, meat, and produce departments. Roll-ups are vendor merchandise receipts for goods that are delivered daily, but for which one receipt is processed for 2 weeks of deliveries.

The Moffett Field Commissary Store uses a manually prepared receiving report as source documentation for data entry into SAVES. Form T-53, Delivery Order and Inspection Report, a Navy form, was used for ordering and receiving because it was the only source of prices, and clerks used it to calculate the value

of the items received. The Form T-53 contained the number of cases received and the case price. Receiving clerks extended the prices and totaled the value of the delivery. The completed Form T-53 reports were then taken to the Management Support Section of the commissary store for input into SAVES.

### Receipt Processing

The Moffett Field Commissary Store was not entering merchandise receipt information into SAVES in accordance with time requirements established in a DeCA policy memorandum. A July 15, 1992, policy memorandum from the Deputy Director of DeCA directed commissary officers to ensure that each day's receipt data are input into SAVES within 24 hours after merchandise receipt even if it means employing temporary personnel. Personnel assigned to other duties were to assist in entering SAVES data, whenever necessary, to ensure that receipts were processed in a timely manner.

During January 1993, 869 of 1,272 (68 percent) receipts were input late. Daily receipts were input as late as a week after the date of delivery and roll-ups were input as late as 2 weeks after the roll-up period. As a result, several days of daily receipts were input into the SAVES on the same day because the receiving clerks processed the accumulated Forms T-53 in one day. For example, the grocery department had an entry into SAVES on January 11, 1993, for deliveries that were received on January 2, 4, 5, 6, 7, 8, 9, and 10, 1993. Receipts were input late into the SAVES because receiving clerks delayed completing the Form T-53 reports and providing them to the Management Support Section for input into SAVES.

### Management Priority

Clerks delayed completing and providing the Form T-53 reports to the Management Support Section for input into SAVES because Moffett Field Commissary Store management did not make the preparation of the Form T-53 receipt paperwork and its related data input a priority. Instead of ensuring timely receipt processing, Moffett Field Commissary management tasked receiving clerks to do other assignments, such as cashier or researching receipt discrepancies. Because the receiving clerks were tasked with other duties, merchandise receiving reports accumulated on the clerks' desks for several days before the reports were prepared for data input. The delayed completion of the Form T-53 did not agree with the DeCA July 15, 1992, policy memorandum.

## **Finding A. Receipt Input into the SAVES**

---

Additionally, the Southwest Region management was not reviewing Moffett Field's compliance with the DeCA policy by using readily available data in SAVES to compare the date of merchandise receipt and the date the store input the receipt and transmitted it to SAVES.

As a result of the late input of receipt data, DeCA could pay vendors late and incur interest cost in accordance with the Prompt Payment Act. Additionally, DeCA could lose the opportunity to take vendor discounts. For example, vendor invoices for meat products are required by law to be paid 7 days after delivery of the product. Daily meat receipts were not input in SAVES, on average, until 5 days after delivery. Such a delay in processing would substantially reduce the time available to the DeCA service centers to correctly match an invoice with merchandise receipt data and avoid payment of interest.

## **Recommendations, Management Comments, and Audit Response**

1. We recommend that the commissary officer at the Moffett Field Commissary Store redirect personnel, as needed, to ensure that receipt data are input into the Standard Automated Voucher Examination System (SAVES) within 24 hours after merchandise receipt.

**Management comments.** The Director, DeCA concurred with Recommendation A.1., stating that non-rollup receipts will be entered within 24 hours after merchandise receipt. Rollup receipts will be entered within 5 days of the end of the rollup period. Further, recent and planned improvements to the DeCA Interim Business System, a follow-on system to SAVES, will make the extension and entry of receipts easier to accomplish. The complete text of management comments is in Part IV.

**Audit response.** The management response is acceptable and meets the intent of the audit recommendation.

2. We recommend that the Director, Southwest Region, periodically monitor Moffett Field Commissary Store's receipt data input by comparing the dates of merchandise receipt at Moffett Field with the dates receipts are input into SAVES.

## Finding A. Receipt Input into the SAVES

---

**Management comments.** The Director, DeCA concurred with Recommendation A.2., stating that periodic monitoring of the SAVES input will be done by the Southwest Region.

**Audit response.** The management response is acceptable.

---

## **Finding B. Meat Accountability**

Sales information was not available to properly manage the meat department. Meat was not properly tracked because meat products were not scanned at checkout counters; therefore, detailed records of meat sales were not maintained. Further, the National Cash Register (NCR) optical scanning equipment that the Moffett Field Commissary used was not programmed to include the Uniform Product Codes (UPCs) for meat products. As a result, meat was ordered in larger quantities than needed, which led to excessive inventories on hand, markdowns, and spoilage. Additionally, expired roasts and steaks were improperly reworked into ground beef.

### **Background**

Meat department managers order meat and meat products from vendors. The quantity ordered is to be determined by comparing the amount of merchandise on hand with prior sales information and the amount that is expected to be sold by the next order cycle. The quantity on hand is to include a safety level to provide enough inventory to cover possible late deliveries from the vendors.

DeCA Directive 40-3, "Operations - Meat Department," requires fresh processed meats to be marked down for quick sale on the last day of its shelf life. If the meat does not sell by the end of the day, it is to be frozen and sold within 30 days. The Directive also prohibits the rework of expired beef products into ground beef.

The proper procedure to prepare meat product for sale, according to DeCA Directive 40-3, is to wrap the product using a machine that is programmed to weigh the meat and place a label on the product that provides the type of meat, price, quantity, and UPC. The UPC is a standardized industry accepted bar coding system to identify individual products for resale. When products are processed through the checkout counter, the NCR system scans the product label for the UPC product type, price, and quantity. The NCR system can be queried to produce a report that provides the quantity of each product type sold during a specified period.

## Scanning

Meat department managers at the Moffett Field Commissary did not have sales information available to make informed decisions on ordering meat. Sales information was not available because meat products were not scanned at the checkout counter and detailed meat sales records were not tracked and maintained. Cashiers manually input the meat department code and sales price, but not the product type, because the NCR optical scanning equipment in use at the Commissary was not programmed to include UPCs for meat products. As a result, the type and quantity of product sold could not be queried through the NCR system, and the meat department managers could not determine the sales history of specific meat products. The lack of sales knowledge impeded the meat department managers' ability to predict future sales, and to calculate the correct order quantity.

The commissary officer and meat department managers agreed that the NCR was not programmed to include the UPCs for meat products but could not explain what steps had been taken to have the system changed or upgraded. Documentation was not available to indicate whether store management had raised the issue to higher level management or had asked the NCR vendor to assist in loading UPCs for meat products into the system.

## Ordering Procedures

Because the meat department managers were unable to use sales information to make informed ordering decisions, the managers ordered meat and meat products based on expected sales in sufficient quantity to prevent shortages. DeCA Directive 40-3 stated that the meat department managers should order inventory based on the quantity on hand and the sales expected during the next order cycle. However, without sales data on the types and quantity of meat sold, the manager did not have adequate data available to estimate expected sales, therefore, overordered meat and meat products.

**Overordered Meat.** Meat department personnel confirmed that meat and meat products were ordered in excess of requirements. We were unable to determine the amount of meat that should have been ordered or should have been on hand at the time of our visits because detailed records were not available. We were told, however, that it was common practice to order more meat than needed to avoid shortages. As a result, there were markdowns and spoilage of meat and expired meat was improperly reworked into ground beef.

## Finding B. Meat Accountability

---

**Marked Down Product.** After fresh meat is processed into saleable form, it has a 2- to 3-day shelf life in the display case. At the beginning of the last day of shelf life, the product should be marked down for quick sale. The commissary was not required to maintain records of marked down products. However, the meat managers maintained an informal record indicating quantities of products that were marked down. From October through December 1992, the informal record contained entries indicating that about 2,900 pounds of meat and over 1 ton of meat products were marked down for quick sale. The products marked down were sold at a loss of about \$2,600. The informal record also indicated that about 1,000 pounds of meat were disposed of at a \$0 selling price. The record did not indicate the method of disposal.

**Expired Product.** Meat department personnel informed us that the quantities of fresh beef product in the walk-in cooler became so excessive that it was virtually impossible to properly rotate the beef to ensure that older products were used first, minimizing spoilage. In January 1993, there were about 12 cases of expired beef in the walk-in cooler. The beef was valued at about \$2,300, and it had to be surveyed as a loss.

**Ground Beef.** Ground beef is made from rounds, chucks, and bull meat, with varying degrees of fat. When butchers cut steaks and roasts into saleable form, they trim off the outside meat and fat. The trimmings are added to the ground beef within 72 hours. The meat department personnel informed us that they followed a common unwritten practice of taking expired display case items and reworking the meat with the trimmings used for ground beef. Such practice violated DeCA Directive 40-3, which prohibits the reprocessing of steaks and roasts into ground beef and requires the freezing of expired product. We noted in a subsequent visit that expired ground beef was being properly frozen and sold.

## Recommendations, Management Comments, and Audit Response

We recommend that the Moffett Field Commissary Officer:

1. Request assistance from the National Cash Register Corporation in loading the Uniform Product Codes for meat products into the computerized customer checkout system so that meat department items can be scanned at the checkout counter and the sales information can be used to assist with ordering.

**Management comments.** The Director, DeCA concurred with Recommendation B.1., stating that within 60 days NCR Corporation will upgrade the software in the store's cash registers to accommodate meat sales. The complete text of management comments is provided in Part IV.

**Audit response.** DeCA's response is acceptable and meets the intent of the audit recommendation.

2. Monitor the meat department operations to ensure that expired products are not reworked into ground beef, but are frozen and sold within 30 days.

**Management comments.** The Director, DeCA concurred with Recommendation B.2., stating that the recommendation has been implemented. Expired meat department items are not reworked but are frozen and sold within 30 days.

**Audit response.** DeCA's response is acceptable.

3. Require the meat department managers to maintain formal records of meat markdowns and spoilage and use the records to adjust future orders.

**Management comments.** The Director, DeCA nonconcurred with Recommendation B.3. The Director suggested alternative procedures for controlling losses due to spoilage and markdowns. The Director stated that DeCA directives require losses in excess of \$100 to be reported. These procedures will identify when overordering problems have occurred without investing significant hours in recording all markdowns. As an additional precaution, the date of delivery will be annotated on the outside of each case of meat received in the meat department. This will allow a quick and easy method of looking at inventory on hand and determining if excess quantities have been ordered and if proper rotation procedures are being followed.

**Audit response.** DeCA's response is acceptable and meets the intent of the audit recommendation.



## **Part III - Additional Information**

---

## Appendix A. Summary of Potential Benefits Resulting from Audit

Recommendation Reference	Description of Benefit	Amount and/or Type of Benefit
A.1.	Internal Controls. Ensure that receipt processing receives priority.	Nonmonetary.
A.2.	Internal Controls. Monitor Moffett Field's receipt input.	Nonmonetary.
B.1.	Economy and Efficiency. Load scanners with product types and pricing information for the meat department.	Nonmonetary.
B.2.	Internal Controls. Ensure that expired meat is managed in a safe manner.	Nonmonetary.
B.3.	Internal Controls. Avoid overordering and ensure that proper meat rotation policies are being followed.	Nonmonetary.

---

## **Appendix B. Organizations Visited or Contacted**

Defense Commissary Agency, Southwest Region Headquarters, El Toro, CA  
Moffett Field, Commissary Resale Store, Sunnyvale, CA

---

## **Appendix C. Report Distribution**

### **Office of the Secretary of Defense**

Assistant Secretary of Defense (Production and Logistics)  
Assistant Secretary of Defense (Public Affairs)  
Comptroller of the Department of Defense

### **Department of the Navy**

Naval Audit Service

### **Department of the Air Force**

Air Force Audit Agency

### **Defense Agencies**

Director, Defense Commissary Agency  
Director, Defense Contract Audit Agency  
Director, Defense Finance and Accounting Service  
Director, Defense Logistics Agency  
Director, Defense Logistics Studies Information Exchange  
Inspector General, Defense Intelligence Agency  
National Security Agency

### **Non-Defense Federal Organizations**

Office of Management and Budget  
National Security Division Special Projects Branch  
Office of Federal Procurement Policy

---

## **Non-Defense Federal Organizations (cont'd)**

### **U.S. General Accounting Office**

National Security and International Affairs Division, Technical Information Center  
National Security and International Affairs Division, Defense and National  
Aeronautics and Space Administration Management Issues  
National Security and International Affairs Division, Military Operations and  
Capabilities Issues

### **Chairman and Ranking Minority Member of Each of the Following Congressional Committees and Subcommittees:**

Senate Committee on Appropriations  
Senate Subcommittee on Defense, Committee on Appropriations  
Senate Committee on Armed Services  
Senate Committee on Governmental Affairs  
House Committee on Appropriations  
House Subcommittee on Defense, Committee on Appropriations  
House Committee on Armed Services  
House Committee on Government Operations  
House Subcommittee on Legislation and National Security, Committee on  
Government Operations



## **Part IV - Management Comments**

# Defense Commissary Agency Comments



REPLY TO  
ATTENTION OF

DEFENSE COMMISSARY AGENCY  
HEADQUARTERS  
FORT LEE, VIRGINIA 23801-6300

JUN 10 1993

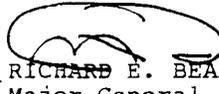
IR

MEMORANDUM FOR INSPECTOR GENERAL, LOGISTICS SUPPORT DIRECTORATE,  
400 ARMY NAVY DRIVE, ARLINGTON, VA 22202-2884

SUBJECT: Draft Report on Inventory Controls at Moffett  
Field Commissary Store, Sunnyvale, California  
(Project No. 3LA-2002.01)

Reference: DoDIG Memorandum, dtd May 24, 1993, SAB.

Per your request in referenced memorandum, attached are our  
comments to the recommendations.

*for*  *Col CS*  
RICHARD E. BEALE, JR.  
Major General, USA  
Director

ATTACHMENT:  
As Stated

DEFENSE COMMISSARY AGENCY REPLY

SUBJECT: Draft Report on Inventory Controls at Moffett  
Field Commissary Store, Sunnyvale, California  
(Project No. 3IA-2002.01)

Finding A

Recommendation 1. We recommend that the commissary officer at the Moffett Field Commissary Store redirect personnel, as needed, to ensure that receipt data are input into the Standard Automated Voucher Examination System (SAVES) within 24 hours after merchandise receipt.

Action Taken. Concur. Non-rollup receipts will be entered within 24 hours after merchandise receipt. Rollup receipts will be entered within 5 days of the end of the rollup period. The recent implementation of DIBS has made the extension and entry of receipts easier for the store to accomplish within the required time frames. The implementation of DIBS-FDS later this summer will make the entry of roll ups from FDS distributors significantly easier for the store to accomplish.

Recommendation 2. We recommend that the Director, Southwest Region, periodically monitor Moffett Field Commissary Store's receipt data input by comparing the dates of merchandise receipt at Moffett Field with the dates receipts are input into SAVES.

Action Taken. Concur. The Southwest Region will periodically monitor the receipt data input of the Moffett Field store by comparing the dates of merchandise receipt with the date of entry into the SAVES system.

Finding B

Recommendation 1. We recommend that the Moffett Field Commissary Officer request assistance from the National Cash Register Corporation in loading the Uniform Product Codes for meat products into the computerized customer check out system so that meat department items can be scanned at the checkout counter and the sales information can be used to assist with ordering.

Action Taken. Concur. A purchase request has been forwarded by the Moffett Field store to issue an order to the NCR Corporation to upgrade the software in the store's cash registers to accommodate random weight UPCs. The order should be issued and the work completed within approximately 60 days.

Recommendation 2. We recommend that the Moffett Field Commissary Officer monitor the meat department operations to ensure that

expired products are not reworked into ground beef, but are frozen and sold within 30 days.

Action Taken. Concur. This recommendation has already been implemented. Expired meat department items are not reworked but frozen and sold within 30 days.

Recommendation 3. We recommend that the Moffett Field Commissary Officer require the meat department managers to maintain formal records of meat markdowns and spoilage and use the records to adjust future orders.

Action Taken. Non-concur. Maintaining records of markdowns and spoilage of individual cuts of meat was eliminated from DeCA's procedures because it is very labor intensive and it does not provide very useful data for ordering purposes. Individual cuts of meat that expire are not always indicators of improper ordering. Some markdowns are a normal part of doing business. Excessive markdowns would more likely indicate inadequate cutting and production procedures in the meat department.

DeCA directives require abnormal losses between \$100 and \$500 be reported on the monthly Record of Operation with a short description of the circumstances. If the loss is greater than \$500, then it will be processed on a DeCA Form 40-70, Government Property Loss or Damaged. These procedures will identify when over-ordering problems have occurred without investing significant man hours in recording and documenting the markdown of every retail cut in the store.

However, as an additional precaution, the Moffett Field Commissary officer is implementing the requirement that the date of delivery be annotated on the outside of each case of merchandise received in the meat department. This will allow meat department and store management a quick and easy method of looking at the inventory on hand and determining if excess quantities of anything have been ordered and if proper rotation procedures are being followed.

## **Audit Team Members**

Shelton R. Young	Director, Logistics Support Directorate
Robert J. Ryan	Program Director
Walter R. Loder	Project Manager
Joseph Powell	Auditor
Ellen Hamm	Auditor