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RELEASED

Office Equipment Service  
Of The  
House Of Representatives B-114865

BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES

*Handwritten signature*

**089816**

FEB. 4, 1971



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-114865

Dear Mr. Jennings:

This is our report on the Office Equipment Service of the House of Representatives. The review was made in accordance with your request dated July 1, 1970.

A copy of this report is being furnished to the Chairman, Committee on House Administration.

Sincerely yours,

A handwritten signature in cursive script that reads "James B. Stacks".

Comptroller General  
of the United States

The Honorable W. Pat Jennings  
Clerk of the House of Representatives

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ABBREVIATIONS

GAO	General Accounting Office
OES	Office Equipment Service

D I G E S T

WHY THE REVIEW WAS MADE

The General Accounting Office (GAO), at the request of the Clerk of the House of Representatives, reviewed the activities of the Office Equipment Service, House of Representatives, during the period January 10, 1967, to June 30, 1970. (See appendix.)

FINDINGS AND CONCLUSIONS

Accounting control over electrical and mechanical office equipment was generally adequate except that:

- In some instances purchases were not recorded upon receipt. (See p. 9.)
- Items of equipment which were not located during the December 1968 physical inventory were still recorded at June 30, 1970. (See p. 11.)
- Accounting control over typewriter repair parts was inadequate until new procedures were initiated and a physical inventory was taken in September 1970. (See p. 8.)

RECOMMENDATIONS OR SUGGESTIONS

GAO's suggestion that all equipment purchases be recorded upon receipt was adopted. (See p. 9.)

GAO is recommending that the Clerk of the House of Representatives:

- Request approval of the Committee on House Administration to remove from the records of the Office Equipment Service those items of equipment not located during the December 1968 inventory.
- Obtain such approval in connection with all future inventories which show that items cannot be located, so that the records will show the equipment actually on hand at the date of the inventory. (See p. 11.)

## CHAPTER I

### INTRODUCTION

The General Accounting Office, at the request of the Clerk of the House of Representatives, has made a review of the Office Equipment Service (OES) of the House of Representatives. (See appendix) Our review covered the period January 10, 1967, through June 30, 1970, and included an examination of selected purchases and disposals of electrical and mechanical office equipment, appropriate tests of the accounting records, a physical inventory of typewriter repair parts, and such other auditing procedures as we considered necessary.

Prior to January 1, 1970, the activities of the Clerk of the House of Representatives were governed by the act of March 25, 1953, as amended (2 U.S.C. 112a-d), which limited the value, quantity, and type of electrical and mechanical office equipment which could be purchased and charged to the account of a member of the House of Representatives or the Resident Commissioner from Puerto Rico. Although the act did not impose equipment limitations--except on the type of equipment available for purchase--on committees and officers of the House, the Committee on House Administration required, in its regulations as revised on July 1, 1968, that all purchases of office equipment by committees and officers of the House be approved by the Committee on House Administration.

The act of December 5, 1969 (2 U.S.C. 112e), which became effective January 1, 1970, directs the Clerk of the House to furnish electrical and mechanical office equipment to members, the Resident Commissioner from Puerto Rico, officers, and committees, in accordance with the limitations and regulations prescribed by the Committee on House Administration. The limitations prescribed by the Committee provide that the depreciated value of electrical and mechanical office equipment furnished to, and charged to the account of, each member and the Commissioner from Puerto Rico not exceed \$5,500 plus the cost of one automatic typewriter.

The act of December 5, 1969, superseded all previous laws dealing with electrical and mechanical office equipment

of the House of Representatives and did not limit or specify the types of equipment that could be purchased. Instead, the act provided for such limitations to be established by the Committee on House Administration and to be revised periodically to meet the changing demands of the House of Representatives.

## CHAPTER 2

### OPERATIONS

The Clerk's responsibility for maintaining control over electrical and mechanical office equipment is carried out by OES. OES has three main functions--accounting, messenger, and typewriter repair services--which are discussed in the following sections of this chapter.

#### ACCOUNTING

The accounting function is performed by the five employees of the accounting unit: a chief, an assistant chief, two voucher examiners, and a clerk. The accounting unit is responsible for purchasing all electrical and mechanical office equipment for the House of Representatives and for the accounting and physical control of the equipment. The chief and assistant chief of the accounting unit also exercise supervisory control over the messenger and typewriter repair services.

After determining that requests from members for the acquisition and disposal of electrical and mechanical office equipment are within the scope of the regulations prescribed by the Committee on House Administration, the accounting unit initiates the necessary action to fulfill the request. Requests of committees and officers of the House for the acquisition of equipment are approved by the Committee on House Administration, but the committees' and officers' requests for disposal of equipment are referred to OES for approval.

The accounting records for electrical and mechanical office equipment are maintained on the House of Representatives computer. The basic computerized records are the "control printout" and the "member printout", which are updated monthly.

The control printout contains information on the description of the machine; serial number; date purchased; purchase order number; original cost; accumulated depreciation; book value; and member, committee, or officer to which

the machine is assigned. This printout also gives subtotals and totals of the number of machines, original cost, depreciation, and book value for each group and major classification of equipment.

The member printout contains the same information as that of the control printout, except that the equipment is listed by member, committee, or officer of the House, each in alphabetical order. In addition, the member printout shows the book value of equipment charged to a member's account and the balance of the member's allowance (see p. 2) available for additional expenditure. A copy of the member printout as of February 28, 1970, was furnished to each member, committee, and officer of the House of Representatives in March 1970, and a copy of other monthly member printouts is available to each upon request.

We have been informed by an OES official that information contained in the control and member printouts has aided the personnel of the unit in making decisions and in answering questions from members, committees, and officers about their accounts.

Other printouts which also aid in the accounting control over electrical and mechanical office equipment are (1) a listing of equipment by serial number and (2) a monthly "transaction printout" which is a listing of all changes made to the computer records during the month.

In addition, the repair service history records for each machine are presently being converted from a manual system to a computerized system, and a perpetual inventory of in-house repair parts is currently being established and will be maintained on the computer.

Prior to establishing the computerized-equipment accounting records in March 1969, OES maintained subsidiary cards for each piece of equipment. These cards contained basically the same information as that of the control printout but did not contain the current book value and accumulated depreciation. OES also manually maintained subsidiary account cards for each member, committee, and officer of the House, which listed and summarized the equipment charged to their accounts. All acquisitions, disposals,

transfers, summarizations, footings, and reconciliations had to be posted and performed manually.

We prepared a summary of the equipment accounts (see p. 15) as of June 30, 1970, which showed that 8,748 units of electrical and mechanical equipment, having an acquisition cost of \$4,568,667 and a book value of \$2,431,469, were on hand.

#### MESSENGER SERVICE

The messenger unit consists of four messenger-laborers and a supervisor and is responsible for making all pickups, deliveries, and transfers of electrical and mechanical office equipment in the House of Representatives. During fiscal year 1970 the unit made 6,131 messenger calls, an average of about 511 calls a month.

In addition to being responsible for messenger services, the unit is responsible for maintaining physical control over the equipment charged to the "house inventory" account. This equipment consists of unassigned useable machines that are maintained for use in emergencies. At June 30, 1970, there were 91 machines with an original cost of \$37,193.33 and a book value of \$21,054.38 charged to the house-inventory account. These machines consisted of 18 manual typewriters, six automatic typewriters, 45 electric typewriters, two duplicator cabinets, 16 adding machines, three automatic letter openers, and one dictating machine.

## TYPEWRITER REPAIR SERVICE

Prior to May 1968 OES obtained repair services on electric and automatic typewriters exclusively from outside vendors. In May 1968 the Committee on House Administration authorized the establishment of the typewriter repair unit to provide an in-house repair service which was to be supplemented by outside vendors during periods of high workloads. When first established the unit included one automatic typewriter repairman supervisor, two automatic typewriter repairmen, and four electric typewriter repairmen. As of October 31, 1970, the unit included an additional automatic typewriter repairman and an additional electric typewriter repairman.

For each job performed the in-house repairman prepares a service ticket which includes a description of the work performed, the serial and control numbers of the machine serviced, the office to which the machine is assigned, the time expended on the repair, and the part number and cost of all parts used. These service tickets are turned in daily to the accounting unit where they are summarized and posted to service history record cards maintained for each piece of equipment. As previously stated, these records are presently being converted for maintenance by the computer.

Although outside vendors are not used to repair typewriters, except during periods of high workloads, OES continues to use outside vendors to repair all other types of electrical and mechanical office equipment. Since the establishment of the Typewriter Repair Service, expenditures for outside vendor services on all equipment has steadily decreased, as shown below.

<u>Fiscal year</u>	<u>Expenditures for outside vendors services</u>
1966	\$ 63,625.76
1967	89,771.63
1968	124,617.06
1969	65,553.54
1970	36,544.53

## Inventory of typewriter repair parts

Prior to September 10, 1970, inadequate control was exercised over the maintenance and reorder of typewriter repair parts. All repairmen in the typewriter repair unit had access to the parts and placed telephone orders to replenish the stock whenever they believed the supply of a particular part was low. Neither a purchase order nor a requisition was prepared for these ordered parts, so there was never an adequate record of what was on order.

A physical inventory of the typewriter repair parts, as of September 10, 1970, was taken by OES personnel with the assistance of GAO. The inventory was conducted in accordance with the physical inventory procedures established by the Data Processing Office, House of Representatives. In September 1970 OES established new controls over the purchase and issuance of repair parts. One employee was made responsible for the inventory, including distributing all parts requested by repairmen and recording all parts received. These transactions are recorded either on service tickets or on computer worksheets, which are used to periodically update the inventory.

To strengthen controls over the purchase of repair parts, in August 1970 OES initiated a new purchase order form to be used solely for parts and supplies required for the in-house repair service.

## CHAPTER 3

### DELAY IN RECORDING PURCHASES

During our review we noted that electrical and mechanical office equipment purchased by OES was not always recorded upon receipt. We noted 19 such instances which occurred during fiscal year 1970. In one instance there was a delay of 5 months from the date that an item was received until it was recorded by OES, and in seven other instances there were similar delays of 3 months each. The delays occurred because OES followed the practice of not recording an item until all items included on the same purchase order had been received. OES informed us that this practice was instituted to reduce paper work, eliminate confusion, and minimize the possibility of losing documents.

As a result of this practice, the accounts of the members who ordered items of equipment were not correct for the periods that the purchases of the equipment remained unrecorded.

We suggested that OES record all items purchased as they were received. OES personnel have agreed to our suggestion and are taking the appropriate steps necessary to implement it.

## CHAPTER 4

### PHYSICAL INVENTORIES

Regulations established by the House Office Building Commission on July 15, 1965, pursuant to the act of March 4, 1907, as amended (40 U.S.C. 175), provided that a physical inventory of all furniture, typewriters, and other equipment owned by the House of Representatives be taken after the adjournment of each Congress. The last physical inventory under these regulations was taken after the adjournment of the Ninetieth Congress in 1968. The act of December 5, 1969 (2 U.S.C. 112e), gave the Committee on House Administration responsibility for establishing regulations on the furnishing of, and control over, electrical and mechanical office equipment.

In January 1970 the Committee on House Administration issued regulations requiring a physical inventory of electrical and mechanical office equipment to be taken by OES at the beginning of the first session of each Congress. The regulations provide that, at the beginning of the second session of each Congress, the Clerk furnish each member, committee, or officer of the House with a list (in duplicate) of all equipment assigned to that member, committee, or officer. The regulations provide also that each member, chairman of a committee, or top official of an office return to the Clerk one copy of the list and certify that the items shown on the list are or are not located in his offices. If the certification is not received within 30 days, the Clerk is required to take a physical inventory of the equipment charged to that member, committee, or officer.

The Clerk provided each member, committee, and officer of the House with a list of equipment assigned to each at February 28, 1970; however, certification of the list was not requested.

OES intends to take a physical inventory of electrical and mechanical office equipment at the beginning of the Ninety-second Congress which convenes in January 1971.

## CHAPTER 5

### STATUS OF ITEMS PREVIOUSLY REPORTED TO THE CLERK

In our "Report On Determination Of Accountability Of The Clerk Of The House Of Representatives For Electrical And Mechanical Equipment As Of January 10, 1967" (B-114865, February 2, 1968), we made two recommendations for improving accountability for such equipment. We recommended that the Clerk of the House consider affixing on each piece of equipment a decal showing the control number (number assigned to indicate the type of equipment and keyed to a master file maintained by OES) and indicating that the equipment is the property of the House of Representatives. This recommendation was accepted and a decal was attached to all electrical and mechanical equipment during a physical inventory completed in December 1968.

We recommended also that the Clerk of the House require that all future physical inventories be reconciled with the inventory records and that adjustments of the records be made when necessary. During the physical inventory in December 1968, 42 machines could not be located. According to the Chief of OES, the question of disposition of these machines was brought to the attention of the Committee on House Administration but was never acted upon. At present these machines are still included in the accounting records since OES cannot relieve the members of accountability for the equipment without the approval of the Committee on House Administration.

### RECOMMENDATION

We recommend that the Clerk of the House resubmit the matter of the unaccounted-for machines to the Committee on House Administration and that approval be requested to remove the equipment from the records of OES. We recommend also that this procedure be followed in connection with all future inventories which show that items cannot be located, so that the records will show the equipment actually on hand at the date of the inventory.



EXHIBIT

OFFICE EQUIPMENT SERVICE

HOUSE OF REPRESENTATIVES

SUMMARY OF EQUIPMENT ACCOUNTS  
 JANUARY 10, 1967, TO JUNE 30, 1970

Type	Balance		Acquisitions	
	Jan. 10, 1967 Units	Cost	Units	Cost
ADDRESSING EQUIPMENT	704	\$ 200,285	138	\$ 69,742
AUTOMATIC TYPEWRITERS	1,003	1,253,275	264	405,531
TYPEWRITERS:				
Electrical	3,269	1,396,525)	2,038	869,058
Manual	1,374	222,670)		
DICTATING EQUIPMENT	890	271,475	602	190,042
DUPLICATING EQUIPMENT	1,273	429,313	314	158,709
ADDING MACHINES AND CALCULATORS	-	-	183	94,984 <sup>a</sup>
MISCELLANEOUS (note b)	<u>188</u>	<u>101,055</u>	<u>180</u>	<u>247,245<sup>c</sup></u>
Total	<u>8,701</u>	<u>\$3,874,598</u>	<u>3,719</u>	<u>\$2,035,311</u>

<sup>a</sup>Includes \$81,559 for adding machines and calculators, which were transferred in April 1970 from the miscellaneous equipment account.

<sup>b</sup>Includes automatic letter openers and sealers, automatic letter folders and inserters, tying machines, delivery trucks, and other miscellaneous equipment.

<sup>c</sup>Includes \$198,076 for miscellaneous equipment transferred to the records of OES in May 1968 from other operating units of the House of Representatives.

## EXHIBIT A

<u>Disposals</u>		<u>Balance June 30, 1970</u>		<u>Accumulated depreciation</u>	<u>Book value</u>
<u>Units</u>	<u>Cost</u>	<u>Units</u>	<u>Cost</u>		
310	\$ 43,561	532	\$ 226,466	\$ 128,759	\$ 97,707
608	407,882	659	1,250,924	525,043	725,881
1,571	516,450	4,074	1,787,420	794,556	992,864
		1,036	184,383	124,229	60,154
387	76,344	1,105	385,173	171,604	213,569
601	180,758	986	407,264	208,577	198,687
-	-	183	94,984	49,481	45,503
<u>195</u>	<u>116,247<sup>a</sup></u>	<u>173</u>	<u>232,053</u>	<u>134,949</u>	<u>97,104</u>
<u>3,672</u>	<u>\$1,341,242</u>	<u>8,748</u>	<u>\$4,568,667</u>	<u>\$2,137,198</u>	<u>\$2,431,469</u>

W. Pat Jennings  
Clerk

Office of the Clerk  
U.S. House of Representatives  
Washington, D.C. 20515

July 1, 1970

Honorable Elmer B. Staats  
Comptroller General of the  
United States  
General Accounting Office  
Washington, D. C.

Dear Mr. Staats:

I would appreciate it if you would take the necessary steps to review the Office Equipment Service of the House of Representatives, to include parts inventory and purchases made by this Department.

With kind regards, I am

Sincerely,



W. PAT JENNINGS, Clerk  
U. S. House of Representatives