

DOCUMENT RESUME

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Audit of the Office of the Attending Physician Revolving Fund: August 1, 1975, through September 30, 1976. GGD-77-29; B-181604. March 9, 1977. 4 pp. + 3 enclosures (3 pp.).

Report to Freeman H. Cary, Attending Physician, Congress; by Robert F. Keller, Acting Comptroller General.

Contact: General Government Div.

Budget Function: General Government: Legislative Functions (801).

Organization Concerned: Congress: Office of the Attending Physician.

The financial transactions of the Office of the Attending Physician Revolving Fund were audited for the period August 1, 1975, through September 30, 1976. The financial statements for the Revolving Fund were prepared from records furnished by the Fund. The records, which were maintained on a cash basis, were adjusted to present the financial position and results of the revolving fund operations on an accrual basis. The statements do not include certain expenses incurred in revolving fund operations and paid for with appropriated funds.

Findings/Conclusions: The statements present fairly the financial position of the Fund at September 30, 1976, the results of its operations, and the changes in its financial position for the 14-month period then ended. The net income to be transferred to the U.S. Treasury for the period August 1, 1975, through September 30, 1976, is \$1,001.37. The purchase and resale of prescription drugs make up the majority of the Fund's receipts and disbursements. During the audit period, prescription drug sales amounted to about \$28,000. Certain immunizations are given free to Members and officials of the Congress and to congressional employees for a \$1 fee.

Recommendations: To provide better control and achieve a proper matching of costs and revenues, the Office should purchase through the revolving fund those types of vaccines which are given at a fee. The cost of vaccines purchased through the revolving fund and given at no charge should be reimbursed to the Fund from appropriated funds available to the Office. (SC)

00288



*REPORT OF THE
COMPTROLLER GENERAL
OF THE UNITED STATES*

Audit Of The Office Of
The Attending Physician
Revolving Fund August 1, 1975,
Through September 30, 1976

Congress of the United States



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

B-181804

The Honorable Freeman H. Cary, M.D.
The Attending Physician
Congress of the United States

Dear Dr. Cary:

Pursuant to your August 25, 1976, request and the Legislative Branch Appropriation Act, 1976 (89 Stat. 283), we audited the financial transactions of the Office of the Attending Physician Revolving Fund for the period August 1, 1975, through September 30, 1976.

SCOPE OF AUDIT

Our audit was made in accordance with generally accepted auditing standards and included an examination of the accounting records and such other auditing procedures as we considered necessary.

OPINION ON FINANCIAL STATEMENTS

We prepared the financial statements for the Revolving Fund from records furnished us. We adjusted the records, which were maintained on a cash basis, to present the financial position and results of the revolving fund operations on an accrual basis. These statements do not include certain expenses--such as labor, syringes, and other supplies--incurred in revolving fund operations and paid for with appropriated funds.

In our opinion, the accompanying statements (schs. 1, 2, and 3), prepared in accordance with the financial arrangements described above, present fairly the financial position of the Office of the Attending Physician Revolving Fund at September 30, 1976, the results of its operations, and the changes in its financial position for the 14-month period then ended.

GENERAL COMMENTS

The Office of the Attending Physician was established in 1928 to serve the medical needs of the Members of Congress. The Office of the Attending Physician Revolving Fund

--established by the Legislative Branch Appropriation Act, 1976--became effective August 1, 1975. It was capitalized through a transfer of the balance in the Office of the Attending Physician suspense account maintained by the Clerk of the House of Representatives.

The act requires all moneys received from the sale of drugs or any other source to be deposited by the Office in the revolving fund, and permits disbursements to be made from the fund for the purchase of drugs for resale.

After restoring any impairment of capital, the fund's net income, as established by our annual audit, is required to be transferred to the general fund of the U.S. Treasury. The net income to be transferred to the Treasury for the period August 1, 1975, through September 30, 1976, is \$1,001.37. (See sch. 2.)

REVOLVING FUND ACTIVITIES

Prescription drug sales

The purchase and resale of prescription drugs make up the majority of the fund's receipts and disbursements. The Office purchases wholesale drugs and resells them for cash to Members' families and congressional employees. The price charged is unit cost rounded upward to the nearest nickel. The Office receives a 2-percent cash discount from its wholesaler for prompt payment. During the audit period, prescription drug sales amounted to about \$28,000.

Immunization receipts

The Office charges a \$1 fee for gamma globulin, polio, and certain influenza immunizations given to congressional employees. At the direction of the Attending Physician, these vaccines are provided free to Members and officials of the Congress. During the audit period immunization receipts totaled \$1,581.

The gamma globulin and polio vaccine were paid for out of the revolving fund, but the influenza vaccine was purchased with appropriated funds. We were told that the Office used appropriated funds for the influenza vaccine when the program was first instituted because the cost was small and continued to use this method of payment each year.

The influenza immunization program is now much larger than the gamma globulin and polio programs in the number of immunizations given and in the percentage of immunizations given at the \$1 fee, as shown in the following table:

<u>Immunizations</u>	<u>Polio and gamma globulin</u>		<u>Influenza</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Given at no charge	287	56	171	11
Given at \$1 fee	<u>224</u>	<u>44</u>	<u>1,357</u>	<u>89</u>
Total	<u>511</u>	<u>100</u>	<u>1,528</u>	<u>100</u>

Our review of the costs and revenues for the immunization activities resulted in a net adjustment of \$1,217.58 due from the revolving fund to appropriated funds at September 30, 1976.

Recommendation

To provide better control and achieve a proper matching of costs and revenues, we recommend that the Office purchase through the revolving fund those types of vaccines which are given at a fee. Also, we recommend that the cost of vaccines purchased through the revolving fund and given at no charge be reimbursed to the revolving fund from appropriated funds available to the Office. The Attending Physician agreed to adopt our recommendations.

Insurance receipts

The Office furnishes medical transcripts and performs physical examinations for life insurance applicants. Payments of \$397.50 were received from life insurance companies for these services and deposited in the revolving fund during the 14-month audit period.

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As required by the Legislative Branch Appropriation Act, 1976, we are sending copies of this report to the Speaker of the House of Representatives; the President of the Senate; the Subcommittees on the Legislative Branch,

B-181804

House and Senate Committees on Appropriations; the House Committee on Government Operations; the Senate Committee on Governmental Affairs; and the Clerk of the House of Representatives.

Sincerely yours,

ACTING

W. H. K. J. W.
Comptroller General
of the United States

CONGRESS OF THE UNITED STATES
OFFICE OF THE ATTENDING PHYSICIAN

REVOLVING FUND

BALANCE SHEET

SEPTEMBER 30, 1976

ASSETS

CURRENT ASSETS:	
Cash in U.S. Treasury	\$2,615.59
Change fund	25.00
Undeposited receipts	1,000.95
Inventory of drugs (note a)	<u>259.20</u>
Total	<u>\$3,900.74</u>

LIABILITIES AND EQUITY

CURRENT LIABILITIES:	
Accounts payable	\$1,215.37
Amount due Office of Attending Physician appropriated funds	<u>1,217.58</u>
Total	<u>2,432.95</u>
EQUITY:	
Balance at beginning of period	466.42
Add: Excess of revenue over costs	<u>1,001.37</u>
Balance at end of period (note b)	<u>1,467.79</u>
Total liabilities and equity	<u>\$3,900.74</u>

a/The inventory, representing undelivered customers' prescriptions, is stated at cost.

b/As explained on page 2, \$1,001.37 is to be transferred to the U.S. Treasury.

CONGRESS OF THE UNITED STATES
OFFICE OF THE ATTENDING PHYSICIAN
REVOLVING FUND
STATEMENT OF OPERATIONS

AUGUST 1, 1975, THROUGH SEPTEMBER 30, 1976

REVENUE:

Prescription drug sales	\$27,966.60
Immunization receipts	1,581.00
Insurance receipts	<u>397.50</u>

Total

\$29,945.10

COSTS:

Prescription drugs	27,307.22
Immunization vaccines	<u>1,636.51</u>

Total

28,943.73

EXCESS OF REVENUE OVER COSTS

\$ 1,001.37

CONGRESS OF THE UNITED STATES
OFFICE OF THE ATTENDING PHYSICIAN
REVOLVING FUND

STATEMENT OF CHANGES IN FINANCIAL POSITION

AUGUST 1, 1975, THROUGH SEPTEMBER 30, 1976

FUNDS PROVIDED:	
Prescription drug sales	\$27,966.60
Immunization receipts	1,581.00
Insurance receipts	<u>397.50</u>
Total	<u>\$29,945.10</u>

FUNDS APPLIED:	
Cost of prescription drugs	\$27,307.22
Cost of immunization vaccines	1,636.51
Increase in working capital	<u>1,001.37</u>
Total	<u>\$29,945.10</u>

Analysis of Changes in Working Capital

	<u>Increase or decrease (-)</u>
WORKING CAPITAL CHANGES:	
Cash	\$ 1,303.49
Accounts receivable	-18.20
Inventory	137.40
Accounts payable	795.26
Amount due Office of Attending Physician appropriated funds	<u>-1,217.58</u>
NET INCREASE IN WORKING CAPITAL	<u>\$ 1,001.37</u>