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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON REGIONAL OFFICE
FIFTH FLOOR
803 WEST BROAD STREET
FALLS CHURCH, VIRGINIA 22046

JUN 7 1975

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Mr. Walter C. DeVaughn
Associate Public Printer
Management and Administration
Government Printing Office

Dear Mr. DeVaughn:

We would like to acknowledge receipt of The Public Printer's comments on our draft report of the fiscal year 1974 audit, which are being considered in the preparation of our final report. In addition, we would like to bring the following points to your attention which do not materially affect the fairness of the financial statements, but they do concern areas where improvements could be made.

Need to complete yearend financial statements in a more timely manner

We have seen some improvements which should aid in the timely preparation of the yearend financial statements. General ledger posting delays appear to have decreased significantly and the establishment of a financial reporting section should add continuity to the staff and improve the timeliness of the statements.

However, we continue to be concerned about the timeliness in computing the yearend balance of the publications for sale inventory. This inventory is maintained by the Superintendent of Documents, and hence his staff is responsible for computing the yearend balance. In the past few years, a significant amount of time has been required for the manual and data processing of the inventory records to determine the sales price and convert it to cost. It appears that proper planning and scheduling of the work required to determine the yearend balance would aid in computing the inventory balance in a much more timely manner.

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Your interest in improving this situation would be a help to GPO in preparing its financial statements in a timely manner, and would also benefit us in the timeliness of our audit work.

Need to implement procedures
concerning accounts receivable

GPO's Accounting Principles and Standards requires that all accounts receivable shall be reviewed at least monthly for collectibility. Uncollected amounts shall be written off immediately when determination of uncollectibility is made. In reviewing accounts receivable--other (account 22.1), we found that these procedures were not being followed.

As of June 30, 1974, \$146,386.55 or about 58 percent of the account balance was over a year old, and 6 percent of the account balance was over 4 years old. Some of these customers, according to GPO officials, are companies or individuals who no longer exist.

We believe immediate action should be taken to review accounts receivable--other (account 22.1), and write off any uncollectible accounts. A monthly review for collectibility would prevent a future accumulation of a large number of uncollectible accounts.

Procedures needed for establishing
and reviewing items in account 224.1
deposit fund liability--suspense items

Our review of account 224.1 deposit fund liability--suspense items disclosed that GPO has no specific written procedures stating what should be included in this account, or when items are to be removed from this account. An analysis of the June 30, 1974, balance of \$183,693.76 indicated the account represented basically net book value of fixed assets sold and awaiting pick-up and unidentified checks. Most of the fixed assets had been in the account over 2 years, and several of the checks had been received over a year ago.

We suggest that you have the items in this account reviewed and specific criteria established for placing items in and removing them from this account. All items currently in the account not meeting this criteria should be removed from the account. Procedures should also be adopted for

periodically reviewing the validity of the items included in the account.

Controls needed over access
to billing and work jackets

GPO maintains billing and work jackets for all printing work done in-house and contracted out. These jackets contain valuable financial and job-related data. When a job is completed and billed both the billing and work jackets are filed in the General Files Section. Since all GPO employees have access to these files, jackets are apparently taken without being signed out and may be filed in error when they are returned. Difficulty in locating these jackets delays GPO employees in obtaining needed job information. GPO employees therefore spend extra time attempting to track down the jackets from other employees. Also, during our fiscal year 1974 audit, delays occurred in reviewing finished work inventory because the billing jackets could not be readily located.

We suggest, therefore, that access to the General Files Section be limited to General Files Section staff, who would issue jackets as required and refile them when returned. A record should be maintained by the General Files Section indicating to whom they have issued the jackets.

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We wish to acknowledge the cooperation and courtesy extended to us during this examination and would appreciate any comments you have on the matters discussed herein.

Sincerely yours,



H. L. Krieger
Regional Manager



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JUN 17 1975

Mr. Brian Mercer
Comptroller
Government Printing Office

Dear Mr. B Mercer:

Enclosed for your information is a copy of our management letter to the Associate Public Printer for Management and Administration. The letter contains several matters for improvements in the financial management area developed during this year's audit.

We have enjoyed working with your staff again this year.

Sincerely yours,

A handwritten signature in black ink, appearing to read "H. L. Krieger".

H. L. Krieger
Regional Manager

Enclosure