



# UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

CIVIL DIVISION

SEP 29 1967

Dear Mr. Boehm:

We have made a review of the administrative controls over the receipt, distribution, and sale of publications by the field offices of the Office of Field Services, Department of Commerce. Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67), and included an examination of available records at the Office of Field Services (OFS), Washington, D. C., and at the Dallas and Houston, Texas, field offices. We also interviewed field personnel and Washington officials of the Office of Administration for Domestic and International Business, OFS, and certain other organizational units of the Department of Commerce. Our review did not include an evaluation of the manner in which OFS activities, other than the publications dissemination activity, were being carried out.

Our review disclosed that, although controls over Government Printing Office publications sent to the field offices appeared generally satisfactory, controls over Department of Commerce publications sent to the field offices were not adequate because records were not maintained to show quantities received and quantities sold or otherwise distributed. As a result, we were unable to ascertain whether all receipts applicable to the sale of publications were collected and accounted for.

The 42 field offices of OFS, among other activities, disseminate Government publications to the general public either by sale or by distribution free of charge. These publications include (1) Government Printing Office (GPO) publications, which are printed by GPO and offered for sale by the Superintendent of Documents, distributed to his sales agents on a consignment basis, or supplied by the Superintendent of Documents to the originating units for official use, and (2) Department of Commerce publications, which may be printed by GPO or by the Department, and are either offered for sale, supplied for official use, or distributed free of charge to selected recipients by the originating unit, the field offices of OFS, the Sales and Distribution Branch of the Office of Administrative Services, or, in certain instances, by the Superintendent of Documents.

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Reported sales of all publications for fiscal years 1965 and 1966 by OFS totaled about \$930,000 and \$604,000, respectively. Of these amounts, about \$214,500 and \$170,000, respectively, represented reported sales of Department publications, exclusive of the Commerce Business Daily which, at the time of our review, could be ordered and paid for at the field offices but was mailed directly to the subscribers from Chicago, Illinois, and, therefore, was not maintained as inventory stock in the field offices.

During our review, we noted that there were no written procedures to be followed by the field offices to control or account for Department publications sent to them. The field offices are not required to maintain records of quantities received and quantities sold or otherwise distributed. Also, adequate records are not required to be kept by OFS or by the originating organizational units of the quantities sent to the field offices; and no inventory of Department publications is required or taken by the field offices. Sales of all publications, whether made for cash or document coupons, or by charge to a deposit order account, are to be recorded in a sales register, but no record is kept of the publications retained for official use or of those distributed free of charge. Because of the inadequate records, no reconciliations can be made of the quantities of Department publications sent to and received by the field offices and the quantities sold or otherwise distributed and on hand.

Regarding control over GPO publications, we noted that the field offices which have been designated as GPO sales agents receive GPO publications on consignment. Written guidelines issued by GPO require that certain records be maintained by each field office to enable the sales agent to submit to the Superintendent of Documents a monthly report of sales of GPO publications. In addition, GPO requires that each sales agent take an annual inventory of GPO publications which is to be reconciled to the total accountability recorded by GPO.

Cash receipts for both GPO and Department publications are deposited periodically to the credit of the Treasurer of the United States in the revolving fund account of GPO. Proceeds from reported sales of GPO publications remain in GPO's revolving fund account. Proceeds from reported sales of one type of Department publication, known as Clearinghouse publications, are transferred by GPO to the National Bureau of Standards' revolving fund account, while proceeds from reported sales of other Department publications are transferred by GPO to one of its general fund accounts as miscellaneous receipts.

The Dallas field office reported sales of all publications during fiscal years 1965 and 1966 of about \$15,600 and \$14,400,

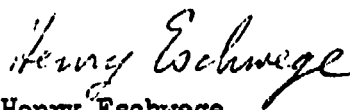
respectively, of which about \$5,700 and \$6,200, respectively, represented reported sales of Department publications, exclusive of the Commerce Business Daily. Reported sales of all publications by the Houston field office for fiscal years 1965 and 1966 were about \$9,000 and \$7,600, respectively, of which about \$3,300 and \$2,500, respectively, represented reported sales of Department publications, exclusive of the Commerce Business Daily. We were, however, unable to ascertain whether all receipts arising from the sale of publications at the Dallas and Houston field offices were collected or properly accounted for because, as noted above, inventories of all publications had not been taken and adequate external and field office quantity control records were not available. In discussions with responsible Washington officials, we were informed that these conditions exist generally in the OFS field offices with respect to the publications dissemination activity.

The Accounting and Auditing Act of 1950 places the responsibility for establishing and maintaining adequate systems of accounting and internal control upon the head of each executive agency. A specific objective of an internal control system is to provide assurance that all revenues applicable to the agency's assets or operations are collected or otherwise accounted for. In order to satisfactorily discharge this responsibility, we recommend that action be taken to establish written procedures to provide adequate control over the receipt, distribution, and sale of Department publications. We believe that, as a minimum, such procedures should provide for the maintenance of adequate quantity control records and for periodic inventories of Department publications.

We appreciate the cooperation extended to our representatives during the review, and we will be pleased to discuss our findings with you in detail if you so desire. Your comments on the actions taken or contemplated on our recommendation will be appreciated.

Copies of this report are being sent to the Assistant Secretary for Domestic and International Business and the Assistant Secretary for Administration, Department of Commerce.

Sincerely yours,



Henry Eschwege  
Associate Director

The Honorable Charles F. Boehm  
Director, Office of Field Services  
Department of Commerce