

GAO

Report to the Clerk of the House of
Representatives

May 1988

FINANCIAL AUDIT

Statement of
Accountability of the
House Finance Office
for Fiscal Year 1987

135944

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Comptroller General
of the United States

B-114864

May 27, 1988

The Honorable Donnal K. Anderson
Clerk of the House of Representatives

Dear Mr. Anderson:


As requested in your letter of August 28, 1987, we have examined the Statement of Accountability for Appropriations and Other Funds of the Finance Office, House of Representatives, for the year ended September 30, 1987. Our examination was made in accordance with generally accepted government auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We completed our audit work on January 29, 1988.

In our opinion, the enclosed Statement of Accountability for Appropriations and Other Funds and the supporting schedules present fairly the accountability of the Clerk of the House for appropriated and other funds at September 30, 1987, and the status of individual appropriations and other funds as of that date, in conformity with the accounting policies described in note 1 to the statement and schedules on a basis consistent with that of the preceding year.

Our report on internal accounting controls and compliance with laws and regulations and the Finance Office's statement of accountability, supporting schedules, and accompanying notes are contained in this report.

We are sending copies of this report to the Chairman of the Committee on House Administration. Copies will be available to others upon request.

Sincerely yours,

for 
Charles A. Bowsher
Comptroller General
of the United States

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Report on Internal Accounting Controls and Compliance With Laws and Regulations

We have examined the Statement of Accountability for Appropriations and Other Funds of the Finance Office, House of Representatives, for the year ended September 30, 1987. Our examination was made in accordance with generally accepted government auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures, including tests of compliance with laws and regulations, as we considered necessary in the circumstances.

As part of our examination, we made a study and evaluation of the Finance Office's system of internal accounting controls to the extent we considered necessary to evaluate the system as required by generally accepted government auditing standards. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the Finance Office's statement. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting controls taken as a whole or on any of the categories of controls identified below.

For the purpose of this report, we have classified the significant internal accounting controls into the categories of payroll, official mail costs, expenses of special and select committees, expenditures from the allowances and expenses appropriations, and receipts. Our study included all of these control categories.

The management of the Finance Office is responsible for establishing and maintaining a system of internal accounting controls. In fulfilling this responsibility, management makes estimates and judgments required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the statement and related schedules in accordance with the financial accounting policies described in note 1 to the statement and schedules.

Because of inherent limitations in any system of internal accounting controls, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation, which was made for the limited purpose described in the second paragraph, would not necessarily disclose all material weaknesses in the system. Accordingly, we did not express an opinion on the system of internal accounting controls taken as a whole or on any of the categories of controls identified in the third paragraph. However, our study and evaluation disclosed no condition that we believed to be a material weakness that would affect our expressing an opinion on the Finance Office's financial statement and related schedules.

As part of our examination, we also tested the Finance Office's compliance with applicable laws and regulations. In our opinion, the Finance Office complied with the terms and provisions of laws and regulations for the transactions tested that could have materially affected its financial statement and related schedules. Nothing came to our attention, in connection with our examination, that caused us to believe that the Finance Office was not in compliance with the terms and provisions of laws and regulations for those transactions not tested.

Statement of Accountability for Appropriations and Other Funds

				Fiscal year ended September 30, 1987
Unexpended Balance, September 30, 1986			\$66,841,464.60	
Appropriations and Receipts				
Current appropriations			\$614,842,000.00	
Revolving fund and suspense account receipts:				
House Stationery Revolving Fund			\$2,600,775.62	
House Recording Studio Revolving Fund			363,470.59	
House Beauty Shop Revolving Fund			244,713.54	
House Barber Shop Revolving Fund			46,321.29	
Attending Physician Revolving Fund			16,085.11	
Page Revolving Fund			298,466.65	
Suspense Account			59,671.30	
House Records and Registration—Suspense Account "B"			21,069.89	
Broadcasting of Floor Proceedings—Suspense Account "D"			4,676.00	
State Withholding Taxes—Suspense Account			14,184,015.55	17,839,265.54
Receipts to be deposited in the general fund of the Treasury			150,432.64	
Gifts to the United States for reduction of the public debt			22,873.00	632,854,571.18
Total Funds Available			699,696,035.78	
Expenditures and Transfers				
Disbursements for salaries and other expenses less refunds and canceled checks			545,513,747.02	
Transfers:				
Receipts deposited in general fund of the Treasury			150,432.64	
Gifts to the United States for reduction of the public debt			22,873.00	
Lapsed appropriations transferred to the general fund of the Treasury			12,180,883.40	12,354,189.04
Unexpended Balance, September 30, 1987			\$141,828,099.72	

The accompanying notes are an integral part of this statement.

Schedule of Appropriations and Other Funds

Account	Fiscal year	Funds Available		Funds Expended		Unexpended balance September 30, 1987
		Unexpended balance September 30, 1986	Appropriations or receipts	Net disbursements	Transfers	
House leadership offices	1985	\$363,192.64	\$0	\$75.00	\$363,117.64	\$0
	1986	244,341.21	0	7,472.73	0	236,868.48
	1987	0	3,396,000.00	2,965,132.94	0	430,867.06
Salaries, officers, and employees	1985	1,109,118.90	0	(7,135.91)	1,116,254.81	0
	1986	1,693,381.68	0	207,851.61	292.05	1,485,238.02
	1987	0	52,125,000.00	48,757,021.25	20,170.62	3,347,808.13
Clerk hire, Members, Delegates, and Resident Commissioner	1985	3,030,325.23	0	(753.45)	3,031,078.68	0
	1986	50.62	0	(8,305.29)	0	8,355.91
	1987	0	172,770,000.00	166,238,466.76	0	6,531,533.24
Committee employees	1985	612,940.09	0	0	612,940.09	0
	1986	596,831.10	0	(1,218.00)	0	598,049.10
	1987	0	48,720,000.00	44,230,487.76	0	4,489,512.24
Committee on Appropriations	1985	616,181.02	0	15,937.39	600,243.63	0
	1986	743,691.37	0	335,381.74	49,789.62	358,520.01
	1987	0	4,300,000.00	3,002,359.96	169,959.38	1,127,680.66
Committee on the Budget	1985	36,549.09	0	0	36,549.09	0
	1986	23,390.25	0	4,160.87	1,119.71	18,109.67
	1987	0	329,000.00	101,615.54	216,733.32	10,651.14
Attending Physician	1985	840.79	0	27.00	813.79	0
	1986	22,898.67	0	19,650.30	0	3,248.37
	1987	0	1,298,000.00	271,404.72	0	1,026,595.28
Special and select committees	1985	1,326,231.04	0	127,400.24	1,198,830.80	0
	1986	964,607.23	0	633,610.98	153,440.87	177,555.38
	1987	0	50,707,000.00	39,188,691.17	3,781,263.77	7,737,045.06
Preparation of new edition of U.S. Code	no year	80,913.65	0	0	0	80,913.65
Allowances and expenses (See the following schedules.)	1985	5,816,182.33	0	654,526.00	5,161,656.33	0
	1986	17,250,347.75	0	14,173,513.91	(195,686.63)	3,272,520.47
	1987	0	176,879,000.00	123,621,754.80	748,424.42	52,508,820.78
	no year	0	6,845,000.00	0	0	6,845,000.00
Joint Committee on Taxation	1985	40,376.59	0	0	40,376.59	0
	1986	368,296.92	0	280,502.93	2,008.09	85,785.90
	1987	0	4,159,000.00	3,880,147.22	4,084.14	274,768.64
Capitol Police Board	1986	99,403.96	0	0	0	99,403.96
	no year	13,000,000.00	0	0	0	13,000,000.00
General Expenses—Capital Police	1985	45,089.01	0	33,237.27	11,851.74	0
	1986	296,716.22	0	257,039.03	290.33	39,386.86
	1987	0	1,881,000.00	1,155,321.93	1,196.29	724,481.78
Statement of Appropriations	1985	6,500.00	0	0	6,500.00	0
	1986	6,500.00	0	0	0	6,500.00
	1987	0	10,000.00	0	0	10,000.00
Official mail costs	1984 & 1985	2,464,006.29	0	2,464,006.29	0	0
	1985 & 1986	12,366,670.00	0	12,366,670.00	0	0
	1986 & 1987	0	91,423,000.00	58,222,603.71	0	33,200,396.29
House Stationery Revolving Fund	no year	2,107,086.73	2,600,775.62	7,053,969.65	(4,955,835.49)	2,609,728.19

(continued)

Schedule of Appropriations and Other Funds

Account	Fiscal year	Funds Available		Funds Expended		Unexpended balance September 30, 1987
		Unexpended balance September 30, 1986	Appropriations or receipts	Net disbursements	Transfers	
House Recording Studio Revolving Fund	no year	746,645.86	363,470.59	527,093.53	3,340.00	579,682.92
House Beauty Shop Revolving Fund	no year	32,381.04	244,713.54	253,962.70	79.72	23,052.16
House Barber Shop Revolving Fund	no year	6,896.47	46,321.29	42,802.13	0	10,415.63
Attending Physician Revolving Fund	no year	4,517.39	16,085.11	20,262.62	0	339.88
Page Revolving Fund	no year	413,332.20	298,466.65	115,687.08	0	596,111.77
Suspense Account	no year	13,221.69	59,671.30	60,071.30	0	12,821.69
House Records and Registration—Suspense Account "B"	no year	179,580.43	21,069.89	57,224.06	0	143,426.26
Broadcasting of Floor Proceedings—Suspense Account "D"	no year	112,409.72	4,676.00	0	0	117,085.72
State Withholding Taxes—Suspense Account	no year	(180.58)	14,184,015.55	14,184,015.55	0	(180.58)
Gifts to the United States for Reduction of the Public Debt	no year	0	22,873.00	0	22,873.00	0
General Fund Receipts		0	150,432.64	0	150,432.64	0
Total		\$66,841,464.60	\$632,854,571.18	\$545,513,747.02	\$12,354,189.04	\$141,828,099.72

The accompanying notes are an integral part of this schedule.

Schedule of Appropriations and Disbursements of the House—Allowances and Expenses, Fiscal Year 1985 Appropriations

	October 1, 1984, to September 30, 1986	Fiscal year ended September 30, 1987	Total
Funds Provided			
Appropriations (note 2)	\$128,837,000.00	\$0	\$128,837,000.00
Transfers to other appropriations	(35,000.00)	0	(35,000.00)
Net transfers to Stationery Revolving Fund	(4,527,428.03)	670.21	(4,526,757.82)
Net transfers of equipment lease	3,493,096.82	0	3,493,096.82
Total	127,767,668.79	670.21	127,768,339.00
Funds Disbursed			
Supplies, materials, and administrative costs	35,471,863.30	513,652.81	35,985,516.11
Official expenses of Members	50,443,678.47	135,596.64	50,579,275.11
Miscellaneous items	404,740.22	0	404,740.22
Government contributions for employee benefits	32,816,873.19	(4,608.45)	32,812,264.74
Reemployed annuitant reimbursements	1,048,458.53	9,885.00	1,058,343.53
Stenographic reporting	497,870.19	0	497,870.19
Furniture and furnishings	1,268,002.56	0	1,268,002.56
Total	\$121,951,486.46	\$654,526.00	122,606,012.46
Surplus to U.S. Treasury (note 3)			5,162,326.54
Unexpended Balance, September 30, 1987			\$0

The accompanying notes are an integral part of this schedule.

Schedule of Appropriations and Disbursements of the House—Allowances and Expenses, Fiscal Year 1986 Appropriations

	Fiscal year ended September 30, 1986	Fiscal year ended September 30, 1987	Total
Funds Provided			
Appropriations (note 4)	\$127,689,000.00	\$0	\$127,689,000.00
Transfers to other appropriations	(3,333,400.00)	0	(3,333,400.00)
Net transfers to Stationery Revolving Fund	(4,088,748.98)	1,392.88	(4,087,356.10)
Net transfers of equipment lease	4,231,018.43	145,977.19	4,376,995.62
Net transfers of WATS telephone service	0	48,316.56	48,316.56
Total	124,497,869.45	195,686.63	124,693,556.08
Funds Disbursed			
Supplies, materials, and administrative costs	26,382,920.04	4,150,688.36	30,533,608.40
Official expenses of Members	44,829,558.27	8,939,147.00	53,768,705.27
Miscellaneous items	544,995.59	204,147.17	749,142.76
Government contributions for employee benefits	33,515,712.97	609,413.52	34,125,126.49
Reemployed annuitant reimbursements	877,428.90	1,968.00	879,396.90
Stenographic reporting	387,900.16	21,167.05	409,067.21
Furniture and furnishings	709,005.77	246,982.81	955,988.58
Total	\$107,247,521.70	\$14,173,513.91	121,421,035.61
Unexpended Balance, September 30, 1987			\$3,272,520.47

The accompanying notes are an integral part of this schedule.

Schedule of Appropriations and Disbursements of the House—Allowances and Expenses, Fiscal Year 1987 Appropriations

Fiscal year ended
September 30, 1987

Funds Provided

Appropriations (note 5)	\$176,879,000.00
Net transfers to Stationery Revolving Fund	(4,661,741.12)
Net transfers of equipment lease	3,823,985.47
Net transfers of WATS telephone service	89,331.23

Total	176,130,575.58
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Funds Disbursed

Supplies, materials, and administrative costs	26,709,379.34
Official expenses of Members	40,335,297.21
Miscellaneous items	417,616.22
Government contributions for employee benefits	53,105,469.36
Reemployed annuitant reimbursements	1,248,126.79
Stenographic reporting	595,918.95
Furniture and furnishings	1,209,946.93

Total	123,621,754.80
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Unexpended Balance, September 30, 1987	\$52,508,820.78
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The accompanying notes are an integral part of this schedule.

Notes to Statement and Schedules

Note 1. Significant Accounting Policies

The Clerk, as principal fiscal officer of the House of Representatives, collects receipts and disburses funds appropriated for all expenses of the House, except salaries and mileage to and from each session of the Congress, for Members, delegates, and the resident commissioner and for payments to widows, widowers, or heirs of deceased Members which are disbursed by the Sergeant at Arms. The House Finance Office maintains the accounting records and makes the necessary financial transactions for the Clerk. The Statement of Accountability for Appropriations and Other Funds presents a summary of the financial transactions administered by the Clerk.

Appropriated fund and revolving fund accounts are maintained on a cash basis.

Receipts are deposited daily through accounts with the U.S. Treasury.

Unexpended balances of appropriations are withdrawn at the end of the second fiscal year, following the year for which the funds were appropriated. In accordance with 2 U.S.C. 102a, unpaid obligations chargeable to appropriations so withdrawn are paid from any appropriations for the same general purpose which are available for disbursement.

Note 2. Funding of Allowances and Expenses for Fiscal Year 1985

Total appropriations of \$128,837,000 consist of \$122,565,000 appropriated under Public Law 98-367 and \$6,272,000 appropriated under Public Law 99-88.

Note 3. Lapsed Appropriations

This amount is included in the \$12,180,883.40 transferred to the general fund of the Treasury by a Treasury surplus warrant with an accounting date of September 30, 1987.

Note 4. Funding of Allowances and Expenses for Fiscal Year 1986

Total appropriations of \$127,689,000 consist of \$133,426,000 appropriated under Public Law 99-103 less \$5,737,000 sequestered under Public Law 99-177.

Note 5. Funding of Allowances and Expenses for Fiscal Year 1987

Total appropriations of \$176,879,000 consist of \$137,928,000 appropriated under Public Law 99-591, and \$38,951,000 appropriated under Public Law 100-71.

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