

GAO

Report to the Clerk of the House of
Representatives

July 1987

FINANCIAL AUDIT

Statement of Accountability of the House Finance Office for Fiscal Year 1986



133416

Comptroller General
of the United States

B-114864

July 13, 1987

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

Dear Mr. Anderson:

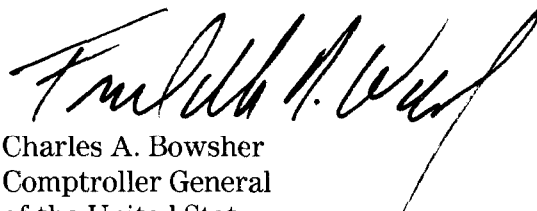
In response to a September 2, 1986, request by the former Clerk of the House of Representatives, we have examined the Statement of Accountability for Appropriations and Other Funds of the Finance Office for the year ended September 30, 1986. Our examination was made in accordance with generally accepted 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 March 24, 1987.

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, 1986, 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, 1986. 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 statements in accordance with the financial accounting policies described in note 1 to the statement.

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 a material weakness in the filing of employee payroll and benefits documents. These documents have not been filed for some time, and Finance Office staff had to spend an inordinate amount of time to locate the documents needed for us to complete the payroll segment of the audit. Finance Office officials have taken steps to resolve this problem by hiring more staff, authorizing staff to work additional hours, and exploring the use of improved filing and retrieval systems to aid in filing payroll and benefits documents.

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 statements. 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, 1986	
Unexpended Balance, September 30, 1985		\$59,967,228.81	
Appropriations and Receipts			
Current appropriations		\$568,289,500.00	
Less: Funds sequestered under the Balanced Budget and Emergency Deficit Control Act of 1985		23,800,000.00	544,489,500.00
Revolving fund and suspense account receipts:			
House Stationery Revolving Fund	\$2,435,416.11		
House Recording Studio Revolving Fund	325,085.48		
House Beauty Shop Revolving Fund	255,272.03		
House Barber Shop Revolving Fund	47,991.45		
Attending Physician Revolving Fund	35,966.93		
Page Revolving Fund	245,755.00		
Suspense Account	15,105.07		
House Records and Registration—Suspense Account "B"	68,604.25		
Broadcasting of Floor Proceedings—Suspense Account "D"	12,854.00		
State Withholding Taxes—Suspense Account	13,327,094.36	16,769,144.68	
Payment of unclaimed moneys to the general fund of the Treasury		1,313.20	
Gifts to the United States for reduction of the public debt		2.93	
Receipts to be deposited in the general fund of the Treasury		151,701.21	16,922,162.02
Total Funds Available			621,378,890.83
Expenditures and Transfers			
Disbursements for salaries and other expenses less refunds and canceled checks		550,209,065.89	
Transfers:			
Lapsed appropriations transferred to the general fund of the Treasury	4,175,343.00		
Payment of unclaimed moneys to the general fund of the Treasury	1,313.20		
Gifts to the United States for reduction of the public debt	2.93		
Receipts deposited in the general fund of the Treasury	151,701.21	4,328,360.34	554,537,426.23
Unexpended Balance, September 30, 1986			\$66,841,464.60

The accompanying notes are an integral part of this statement.

Schedule of Appropriations and Other Funds

Account	Fiscal year	Funds available	Net disbursements	Transfers	Unexpended balance September 30, 1986
House leadership offices	1984	\$394,905.57	\$127.30	\$394,778.27	\$0
	1985	371,779.48	8,586.84	0	363,192.64
	1986	3,213,000.00	2,968,658.79	0	244,341.21
Salaries, officers, and employees	1984	1,028,827.02	(2,048.00)	1,030,875.02	0
	1985	1,518,073.91	408,962.09	(7.08)	1,109,118.90
	1986	46,354,000.00	44,634,712.38	25,905.94	1,693,381.68
Clerk hire, Members, Delegates, and Resident Commissioner	1984	577,158.31	(2,400.20)	579,558.51	0
	1985	3,016,137.47	(14,187.76)	0	3,030,325.23
	1986	159,591,000.00	162,924,349.38	(3,333,400.00)	50.62
Committee employees	1984	667.54	0	667.54	0
	1985	612,940.09	0	0	612,940.09
	1986	42,419,000.00	41,822,168.90	0	596,831.10
Committee on Appropriations	1984	610,102.11	0	610,102.11	0
	1985	1,243,451.25	627,270.23	0	616,181.02
	1986	4,091,000.00	3,145,418.39	201,890.24	743,691.37
Committee on the Budget	1984	33,210.54	0	33,210.54	0
	1985	42,048.24	5,499.15	0	36,549.09
	1986	283,000.00	97,748.72	161,861.03	23,390.25
Attending Physician	1984	5,493.96	(1.40)	5,495.36	0
	1985	680,061.74	679,220.95	0	840.79
	1986	1,011,000.00	988,101.33	0	22,898.67
Special and select committees	1984	1,740,751.91	73,583.92	1,667,167.99	0
	1985	683,671.45	(643,890.52)	1,330.93	1,326,231.04
	1986	45,291,000.00	40,285,551.37	4,040,841.40	964,607.23
Preparation of new edition of U.S. Code	no year	80,913.65	0	0	80,913.65
Allowances and expenses (See the following schedules.)	1984	3,913,168.96	4,523,060.12	(609,891.16)	0
	1985	25,205,263.93	19,395,509.91	(6,428.31)	5,816,182.33
	1986	127,689,000.00	107,247,521.70	3,191,130.55	17,250,347.75
Joint Committee on Taxation	1984	336,501.03	0	336,501.03	0
	1985	87,691.13	47,314.54	0	40,376.59
	1986	4,458,000.00	4,072,666.22	17,036.86	368,296.92
Capitol Police Board	1985	28,990.08	28,990.08	0	0
	1986	104,000.00	4,596.04	0	99,403.96
	no year	13,000,000.00	0	0	13,000,000.00
General Expenses—Capitol Police	1984	168,562.85	48,185.06	120,377.79	0
	1985	548,011.15	502,922.14	0	45,089.01
	1986	1,279,000.00	982,283.78	0	296,716.22
Statement of Appropriations	1984	6,500.00	0	6,500.00	0
	1985	6,500.00	0	0	6,500.00
	1986	6,500.00	0	0	6,500.00
Official mail costs	1983 & 1984	1,827,800.29	1,827,800.29	0	0
	1984 & 1985	11,853,000.00	9,388,993.71	0	2,464,006.29
	1985 & 1986	95,700,000.00	83,333,330.00	0	12,366,670.00
House Stationery Revolving Fund	no year	4,521,717.08	6,717,965.05	(4,303,334.70)	2,107,086.73
House Recording Studio Revolving Fund	no year	1,001,445.46	251,718.89	3,080.71	746,645.86

(continued)

Schedule of Appropriations and Other Funds

Account	Fiscal year	Funds available	Net disbursements	Transfers	Unexpended balance September 30, 1986
House Beauty Shop Revolving Fund	no year	314,668.96	282,195.49	92.43	32,381.04
House Barber Shop Revolving Fund	no year	56,769.78	49,873.31	0	6,896.47
Attending Physician Revolving Fund	no year	38,260.61	33,743.22	0	4,517.39
Page Revolving Fund	no year	532,762.62	119,430.42	0	413,332.20
Suspense Account	no year	29,661.39	16,439.70	0	13,221.69
House Records and Registration— Suspense Account "B"	no year	179,580.43	0	0	179,580.43
Broadcasting of Floor Proceedings— Suspense Account "D"	no year	112,409.72	0	0	112,409.72
State Withholding Taxes—Suspense Account	no year	13,326,913.78	13,327,094.36	0	(180.58)
Unclaimed moneys	no year	1,313.20	0	1,313.20	0
Gifts to the United States for Reduction of the Public Debt	no year	2.93	0	2.93	0
General Fund Receipts		151,701.21	0	151,701.21	0
Total		\$621,378,890.83	\$550,209,065.89	\$4,328,360.34	\$66,841,464.60

The accompanying notes are an integral part of this schedule.

Schedule of Appropriations and Disbursements of the House—Allowances and Expenses, Fiscal Year 1984 Appropriations

	October 1, 1983, to September 30, 1985	Fiscal year ended September 30, 1986	Total
Funds Provided			
Appropriations (note 2)	\$122,002,000.00	\$1,600,000.00	\$123,602,000.00
Transfers to other appropriations	(197,200.00)	0	(197,200.00)
Net transfers to Stationery Revolving Fund	(4,109,624.75)	0	(4,109,624.75)
Net transfers of equipment lease	3,498,263.14	(1,344.56)	3,496,918.58
Total	121,193,438.39	1,598,655.44	122,792,093.83
Funds Disbursed			
Supplies, materials, and administrative costs	26,617,401.48	1,108,862.23	27,726,263.71
Official expenses of Members	57,010,586.18	3,414,564.42	60,425,150.60
Miscellaneous items	719,685.63	0	719,685.63
Government contributions for employee benefits	30,329,785.05	(366.53)	30,329,418.52
Reemployed annuitants reimbursement	1,136,455.96	0	1,136,455.96
Stenographic reporting	483,789.91	0	483,789.91
Furniture and furnishings	982,565.22	0	982,565.22
Total	\$117,280,269.43	\$4,523,060.12	121,803,329.55
Surplus to U.S. Treasury (note 3)			988,764.28
Unexpended Balance, September 30, 1986			\$0

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

	Fiscal year ended September 30, 1985	Fiscal year ended September 30, 1986	Total
Funds Provided			
Appropriations (note 4)	\$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	(4,532,450.78)	5,022.75	(4,527,428.03)
Net transfers of equipment lease	3,491,691.26	1,405.56	3,493,096.82
Total	127,761,240.48	6,428.31	127,767,668.79
Funds Disbursed			
Supplies, materials, and administrative costs	23,103,776.39	12,368,086.91	35,471,863.30
Official expenses of Members	43,645,153.66	6,798,524.81	50,443,678.47
Miscellaneous items	255,220.04	149,520.18	404,740.22
Government contributions for employee benefits	32,915,381.07	(98,507.88)	32,816,873.19
Reemployed annuitants reimbursement	945,267.53	103,191.00	1,048,458.53
Stenographic reporting	455,930.90	41,939.29	497,870.19
Furniture and furnishings	1,235,246.96	32,755.60	1,268,002.56
Total	\$102,555,976.55	\$19,395,509.91	121,951,486.46
Unexpended Balance, September 30, 1986			\$5,816,182.33

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
Funds Provided	
Appropriations (note 5)	\$127,689,000.00
Transfers to other appropriations	(3,333,400.00)
Net transfers to Stationery Revolving Fund	(4,088,748.98)
Net transfers of equipment lease	4,231,018.43
Total	124,497,869.45
Funds Disbursed	
Supplies, materials, and administrative costs	26,382,920.04
Official expenses of Members	44,829,558.27
Miscellaneous items	544,995.59
Government contributions for employee benefits	33,515,712.97
Reemployed annuitants reimbursement	877,428.90
Stenographic reporting	387,900.16
Furniture and furnishings	709,005.77
Total	107,247,521.70
Unexpended Balance, September 30, 1986	\$17,250,347.75

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 1984

Total appropriations of \$122,002,000 consist of \$103,242,000 appropriated under Public Law 98-51 and \$18,760,000 appropriated under Public Law 98-396.

Note 3. Lapsed Appropriations

This amount is included in the \$4,175,343 transferred to the general fund of the Treasury by a Treasury surplus warrant with an accounting date of September 30, 1986.

Note 4. 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 5. 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.

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