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COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

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RELEASED

B-114865

MAY 30 1974

The Honorable W. Pat Jennings
Clerk of the House
of Representatives

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GHS-3

Dear Mr. Jennings:

2 We reviewed the activities of the Office Equipment Service (OES) of the House of Representatives for the fiscal year ended June 30, 1973, pursuant to your request dated June 14, 1973.

GHS-13

GENERAL COMMENTS

The act of December 5, 1969 (2 U.S.C. 112e), effective January 1, 1970, directs the Clerk of the House to furnish electrical and mechanical office equipment to the Resident Commissioner from Puerto Rico and to Members, officers, and committees of the House of Representatives, in accordance with the limitations and regulations prescribed by the Committee on House Administration. The regulations provide that the depreciated value of electrical and mechanical office equipment furnished and charged to the account of each Member and to the Commissioner from Puerto Rico not exceed \$5,500.

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Public Law 91-405, approved September 22, 1970, extended these provisions to the Delegate to the House of Representatives from the District of Columbia.

On June 1, 1971, the Committee on House Administration prescribed regulations authorizing an office-equipment-leasing allowance of \$350 a month for each Member, the Resident Commissioner, and the D.C. Delegate. This allowance is for leasing automatic typewriters, photocopying equipment, facsimile units, and signature machines. The Committee has directed the Clerk to lease the equipment for the use of officers of the House of Representatives.

Public Law 92-271, approved April 10, 1972, extended these provisions to the Delegates to the House of Representatives from Guam and the Virgin Islands.

On April 17, 1973, the Committee on House Administration amended the equipment regulations to permit a Member to forego \$250 per month of his clerk hire allowance for the leasing of additional equipment. Upon written request to the Committee, a Member, the Resident Commissioner from Puerto Rico, or a Delegate to the House of Representatives may allocate a portion of his unused clerk hire allowance for the leasing of additional equipment.

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The Clerk's responsibilities for furnishing electrical and mechanical office equipment are carried out by OES accounting, messenger, and typewriter repair service units.

The accounting unit consists of a chief, an assistant chief, and five clerks and is responsible for leasing, purchasing, and disposing of electrical and mechanical office equipment and for maintaining accounting control over owned and leased equipment.

The messenger unit consists of a supervisor and four messenger-laborers, one of whom is responsible for repairing Elliott addressographs. The unit is responsible for picking up, delivering, and transferring electrical and mechanical office equipment.

The typewriter repair service unit consists of a repairman-supervisor, a clerk, and nine repairmen and is responsible for cleaning and repairing automatic, electric, and manual typewriters.

We reviewed the controls over owned and leased equipment, examined selected purchases and disposals of equipment, and tested the repair parts inventory.

OWNED OFFICE EQUIPMENT

OES maintains a computerized system of accounts which shows for each type of equipment (1) the inventory at the beginning of the year, the acquisitions and disposals during the year, and the inventory at the end of the year and (2) the units furnished to, and accountable by, each Member or officer. These accounts showed that as of June 30, 1973, the inventory of office equipment consisted of 9,604 items with an acquisition cost of about \$5.7 million and a net value of about \$2.9 million. (See schedule.)

The records provided adequate control over owned equipment. Our examination of selected purchase and disposal transactions showed they were properly documented.

LEASED EQUIPMENT

OES maintains manual records of leased equipment consisting of (1) a control card for each item of leased equipment and (2) a Member's account card. The control card shows the Member's or officer's name, the lease order number, the lessor's name, a description of the leased item, the rental rate and period, and the rental paid.

The Member's account card shows the balance of the Member's or officer's leasing allowance, the items of equipment leased for the

Member or officer, the rental rate, and the beginning and ending dates of the lease period.

A summary of the control cards showed that as of June 30, 1973, OES had a monthly obligation of \$143,884 for the rental of 1,724 items of leased equipment. Funds are obligated when a leasing order is approved by the Clerk. At June 30, 1973, the Resident Commissioner from Puerto Rico, the Delegates, 431 Members, and 12 officers were leasing equipment.

In our opinion, the records provide adequate control over leased equipment.

REPAIR PARTS INVENTORY

Our test of the repair parts inventory showed that the accuracy of the computer-produced parts inventory master listing was satisfactory. OES has been taking partial inventories on a rotating basis to insure the accuracy of the listing.

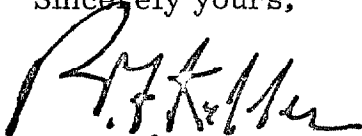
OES OPERATING COSTS

OES operating costs for fiscal year 1973, exclusive of the cost of forms obtained from the Government Printing Office and of data processing services, utilities, office furniture, and building space, are as follows.

Salaries	\$ 230,265
Employee benefits	23,948
Leasing costs	1,260,098
Depreciation of equipment	500,724
Depreciated value of surplus equipment transferred to the General Services Adminis- tration	84,611
Repair parts	15,290
Vendor repairs	38,664
Office supplies	<u>1,512</u>
Total	<u>\$2,155,112</u>

A copy of this report is being sent to the Chairman of the Committee on House Administration.

Sincerely yours,


Acting Comptroller General
of the United States

BEST DOCUMENT AVAILABLE

OFFICE EQUIPMENT SERVICE
HOUSE OF REPRESENTATIVES
SUMMARY OF EQUIPMENT ACCOUNTS
JULY 1, 1972 TO JUNE 30, 1973

Type	Inventory July 1, 1972		Acquisitions		Disposals		Inventory June 30, 1973			
	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Accumulated depreciation	Book value
Addressing equipment	512	\$ 242,799	59	\$ 70,393	100	\$39,956	471	\$ 273,236	\$ 136,396	\$ 136,840
Automatic typewriters	552	1,439,467	35	13,528	57	52,765	530	1,400,230	721,003	679,227
Typewriters	5,512	2,200,641	420	213,294	275	94,962	5,657	2,318,973	1,248,892	1,070,081
Dictating equipment	1,316	460,143	185	76,763	141	47,490	1,360	489,416	212,700	276,716
Duplicating equipment	958	511,026	77	73,492	117	66,085	918	518,433	227,206	291,227
Adding machines and calculators	309	131,578	58	12,891	6	8,309	361	136,160	72,183	63,977
Miscellaneous (note a)	268	530,127	61	88,309	22	38,543	307	579,893	219,786	360,107
Total	9,427	\$5,515,781	895	\$548,670	718	\$348,110	9,604	\$5,716,341	\$2,838,166	\$2,878,175

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Includes automatic letter openers and sealers, automatic letter folders and inserters, typing machines, delivery trucks, computer equipment, and other miscellaneous equipment.

Note: Does not include leased equipment.

SCHEDULE