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BY THE COMPTROLLER GENERAL

# Report To The Congress

OF THE UNITED STATES

*108353*

## Audit Of The Office Of The Attending Physician Revolving Fund--Fiscal Year 1978



003224

*report*

GGD-79-23  
JANUARY 15, 1979





COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-181804

To the President of the Senate and the  
Speaker of the House of Representatives } CWO 00001

Pursuant to the Legislative Branch Appropriation Act, 1976 (89 Stat. 283), we audited the fiscal year 1978 financial transactions of the Office of the Attending Physician Revolving Fund. UTH 00014

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SCOPE OF AUDIT

We made our audit in accordance with the Comptroller General's standards for auditing financial transactions, accounts, and reports of governmental activities. These standards include generally accepted auditing standards. We reviewed operations, observed the physical count of prescription drugs and vaccines on hand, examined selected financial transactions and records, and performed other auditing procedures as we considered necessary.

OPINION ON FINANCIAL STATEMENTS

We prepared the financial statements for the revolving fund from records furnished to us. We adjusted the records, which were maintained on a cash basis, to present the financial position and results of the revolving fund operations on an accrual basis. These statements do not include certain expenses--such as labor, syringes, and other supplies--incurred in revolving fund operations, but paid with appropriated funds.

In our opinion, the accompanying statements (schs. 1, 2, and 3), prepared on a basis consistent with that of the preceding year and in accordance with the financial arrangements described above present fairly the financial position of the Office of Attending Physician Revolving Fund at September 30, 1978, and 1977; the results of its operations, and the changes in its financial position for the years then ended.

GENERAL COMMENTS

The Office of the Attending Physician was established in 1928 to serve the medical needs of the Members of Congress. The Office of the Attending Physician Revolving Fund, established by the Legislative Branch Appropriation Act, 1976, became effective August 1, 1975. It was capitalized by a transfer of the balance in the Office of the Attending Physician suspense account which was maintained by the Clerk of the House of Representatives.

The act requires all moneys received from the sale of drugs or any other source to be deposited in the revolving fund by the Office of the Attending Physician and permits disbursements to be made from the fund for purchasing drugs for resale.

After restoring any impairment of capital, the fund's net income, as established by our annual audit, is required to be transferred to the U.S. Treasury's general fund. The net income for fiscal year 1978 is \$938.31. (See sch. 2.)

REVOLVING FUND ACTIVITIES

Prescription drug sales

The purchase and resale of prescription drugs make up the majority of the fund's receipts and disbursements. The Office purchases wholesale drugs and resells them for cash to Members' families and congressional employees. The cost per unit is rounded upward to the next 5-cent increment. The Office receives a 2-percent cash discount from its wholesaler for prompt payment. During the fiscal year prescription drug sales and net income were \$25,652.67 and \$559.60, respectively.

Immunization receipts

At the direction of the Attending Physician, free gamma globulin, polio, and influenza immunizations are provided to Members and officials of the Congress. During fiscal year 1978 the Office charged a \$1 fee for immunizations given to congressional employees. The immunization receipts for fiscal year 1978 were \$901 and net income was \$125.31.

The charge for influenza immunizations to be administered during fiscal year 1979 will be \$1.50 because of increased vaccine costs.

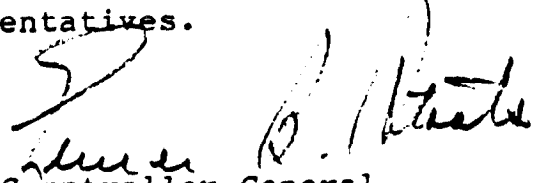
Our review of the costs and revenues for the revolving fund activities resulted in a net adjustment of \$77.19 due to the revolving fund from appropriated funds at September 30, 1978.

Insurance receipts

The Office furnishes medical transcripts and performs physical examinations for life insurance applicants. Payments of \$253.40 were received from life insurance companies for these services and deposited in the revolving fund during the fiscal year.

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As required by the Legislative Branch Appropriation Act, 1976, we are sending copies of this report to the Subcommittees on the Legislative Branch, House and Senate Committees on Appropriations; the House Committee on Government Operations; the Senate Committee on Governmental Affairs; and the Clerk of the House of Representatives.

  
Comptroller General  
of the United States

CONGRESS OF THE UNITED STATES  
OFFICE OF THE ATTENDING PHYSICIAN  
REVOLVING FUND  
COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 1978 AND 1977

ASSETS	September 30, 1978	September 30, 1977
<b>CURRENT ASSETS:</b>		
Cash in U.S. Treasury	\$ 747.91	\$2,867.60
Change fund	25.00	25.00
Undeposited receipts	845.00	614.70
Accounts receivable	-	35.45
Inventory--Drugs (note a)	215.10	140.00
Inventory--Vaccines (note b)	1,245.21	1,407.46
Amount due from Office of Attending Physician appropriated funds	<u>77.19</u>	<u>-</u>
Total	<u>\$3,155.41</u>	<u>\$5,090.21</u>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$1,750.68	\$1,844.65
Amount due to Office of Attending Physician appropriated funds	<u>-</u>	<u>1,373.08</u>
Total	<u>1,750.68</u>	<u>3,217.73</u>
<b>EQUITY:</b>		
Balance at beginning of period	1,872.48	1,467.79
Less: Amount transferred to U.S. Treasury	<u>1,406.06</u>	<u>1,001.37</u>
	466.42	466.42
Plus: Excess of revenue over costs	<u>938.31</u>	<u>1,406.06</u>
Balance at end of period	<u>c/1,404.73</u>	<u>1,872.48</u>
Total liabilities and equity	<u>\$3,155.41</u>	<u>\$5,090.21</u>

a/Undelivered customers' prescriptions.

b/Vaccines are stated at cost, using the first-in, first-out method of valuation.

c/As explained on p. 2, \$938.31 is to be transferred to the U.S. Treasury.

GAO note: Our opinion on this statement appears on p. 1 of the letter.

CONGRESS OF THE UNITED STATES  
OFFICE OF THE ATTENDING PHYSICIAN  
REVOLVING FUND  
COMPARATIVE STATEMENT OF OPERATIONS  
FOR FISCAL YEARS ENDED SEPTEMBER 30, 1978 AND 1977

	<u>FY</u> <u>1978</u>	<u>FY</u> <u>1977</u>
REVENUE:		
Prescription drug sales	\$25,652.67	\$26,171.56
Immunization receipts	901.00	1,805.00
Insurance receipts	<u>253.40</u>	<u>244.00</u>
Total revenue	<u>\$26,807.07</u>	<u>\$28,220.56</u>
COSTS:		
Prescription drugs	25,093.07	25,560.15
Immunization vaccines	<u>775.69</u>	<u>1,254.35</u>
Total costs	<u>\$25,868.76</u>	<u>\$26,814.50</u>
EXCESS OF REVENUE OVER COSTS	<u>\$ 938.31</u>	<u>\$ 1,406.06</u>

GAO note: Our opinion on this statement appears on p. 1 of the letter.

CONGRESS OF THE UNITED STATES  
OFFICE OF THE ATTENDING PHYSICIAN  
REVOLVING FUND

COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1978 AND 1977

	<u>FY</u> <u>1978</u>	<u>FY</u> <u>1977</u>
<b>FUNDS PROVIDED:</b>		
Prescription drug sales	\$25,652.67	\$26,171.56
Immunization receipts	901.00	1,805.00
Insurance receipts	253.40	244.00
Decrease in working capital	<u>467.75</u>	<u>-</u>
Total funds provided	<u>\$27,274.82</u>	<u>\$28,220.56</u>
<b>FUNDS APPLIED:</b>		
Cost of prescription drugs	\$25,093.07	\$25,560.15
Cost of immunization vaccines	775.69	1,254.35
Increase in working capital	-	404.69
Amount transferred to U.S. Treasury	<u>1,406.06</u>	<u>1,001.37</u>
Total funds applied	<u>\$27,274.82</u>	<u>\$28,220.56</u>

ANALYSIS OF CHANGES IN WORKING CAPITAL

	<u>Increase or</u> <u>decrease(-)</u>	<u>Increase or</u> <u>decrease(-)</u>
<b>WORKING CAPITAL CHANGES:</b>		
Cash	\$-1,889.39	\$ -134.24
Accounts receivable	-35.45	35.45
Inventory	-87.15	1,288.26
Amount due from Office of Attending Physician appropriated funds	77.19	-
Accounts payable	93.97	-629.28
Amount due to Office of Attending Physician appropriated funds	<u>1,373.08</u>	<u>-155.50</u>
<b>NET INCREASE/DECREASE (-) IN WORKING CAPITAL</b>	<u>\$ -467.75</u>	<u>\$ 404.69</u>

GAO note: Our opinion on this statement appears on p. 1 of the letter.



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