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October 19, 2021

The Honorable Amy Klobuchar
Chairwoman
The Honorable Roy Blunt
Ranking Member
Committee on Rules and Administration
United States Senate

Senate Gift Shop Revolving Fund: Procedures Related to FY 2020 Receipts and Disbursements

Independent Accountant's Report on Applying Agreed-Upon Procedures

As you requested, we performed agreed-upon procedures on the Senate Gift Shop Revolving Fund's (Fund) fiscal year 2020 receipts and disbursements as described in the enclosures to this report, with which the Secretary of the Senate agreed. The Senate Gift Shop is under the authority of the Secretary who is responsible for offering members, staff, and the general public the opportunity to purchase Senate memorabilia and gift items.

The Senate Gift Shop was established in 1992 to sell gift items to members of the Senate, Senate staff, and the general public. All sales receipts are taken to the Senate Disbursing Office for deposit into the Fund. The Senate Gift Shop then uses the cash receipts to purchase inventory items for resale and supplies and to pay for shipping and other related service expenses.¹ The Senate Disbursing Office makes disbursements on behalf of the Fund.

The sufficiency of these procedures is solely the responsibility of the Secretary. We performed these procedures solely to assist your offices and the Secretary in ascertaining whether the Fund's fiscal year 2020 receipts and disbursements are supported by information from the Senate Gift Shop and the Senate Disbursing Office. Consequently, we make no representation regarding the sufficiency of the procedures described in the report either for the purpose for which this report has been requested or for any other purpose.

We conducted this agreed-upon procedures engagement in accordance with U.S. generally accepted government auditing standards, which incorporate attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to perform, and did not perform, an examination or review, the objective of which would have been to express an opinion or conclusion, respectively, on the Fund's fiscal year 2020 receipts and disbursements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you. We completed the agreed-upon procedures on September 28, 2021.

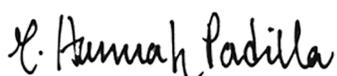
¹Salaries and benefits of Senate employees who work in the Senate Gift Shop are not paid from the Fund; rather, they are paid from the "Salaries, Officers, and Employees" appropriation account of the Senate. Additional costs of the Senate Gift Shop are covered by other appropriated Senate funds.

The procedures we agreed to perform were related to the Senate Gift Shop's processes over (1) daily receipts, weekly deposits, and monthly reconciliations for the Fund's receipts and (2) purchasing, invoice payment, and monthly reconciliations for the Fund's disbursements. The enclosures provide the details on the agreed-upon procedures and our results.

We requested comments on a draft of this report from the Secretary. In an email response dated October 6, 2021, the Secretary stated that she had no comments on the report.

The purpose of this report is solely to describe the agreed-upon procedures related to the Fund's fiscal year 2020 receipts and disbursements, and the report is not suitable for any other purpose. However, this report is a matter of public record, and its distribution is not limited. The report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions concerning this report, please contact me at (202) 512-5683 or padillah@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Megan McGehrin (Assistant Director), Tulsi Bhojwani (Auditor-in-Charge), and Veronica Cadiz-Rodriguez made key contributions to this report.



M. Hannah Padilla
Director
Financial Management and Assurance

Enclosures – 2

Enclosure I Senate Gift Shop Revolving Fund FY 2020 Receipts

We selected a random sample of 29 days out of 130 days² that the Senate Gift Shop was open for business during fiscal year 2020.³ For each day selected, we performed the following procedures.

I. Procedures Related to the Senate Gift Shop Daily Receipts for Each Day Selected

- A. Recalculate the total receipt amount per each register drawer summary report, including any overages or shortages, and trace the total amount to the respective Daily Cash Sheet for agreement.⁴

Description of Findings and Results

The total receipt amount per each register drawer summary report was mathematically correct and agreed to the total amount on the respective Daily Cash Sheet for the days tested.

- B. Inspect the Daily Cash Sheet to determine whether evidence exists that it was signed by a Senate Gift Shop management official.⁵

Description of Findings and Results

There was evidence that a Senate Gift Shop management official signed the Daily Cash Sheet for the days tested.

- C. Inspect the Daily Cash Sheet to determine whether evidence exists that the preparer was different from the reviewer.

²We selected a random sample with a 90 percent confidence level, 5 percent tolerable deviation rate, and zero expected deviations.

³"Days open for business" was used as the population because individual receipts from cash registers and other sources of revenue are aggregated daily prior to the weekly deposit with the Senate Disbursing Office. Days when the Senate Gift Shop was closed because of weekends, federal holidays, inventory counts, and the Coronavirus Disease 2019 pandemic were excluded.

⁴Per Senate Gift Shop procedures, an overage or shortage of more than \$5.00 is recorded on a Letter of Counseling on Cash Accountability.

⁵Per Senate Gift Shop procedures, the Accounts Administrator calculates total receipts from all drawers and records the total on the Daily Cash Sheet for the previous business day. Senate Gift Shop management reviews the Daily Cash Sheet and signs as reviewer. Senate Gift Shop management officials include the office manager, the operations manager, and the director.

Description of Findings and Results

There was evidence that the preparer of the Daily Cash Sheet was different from the reviewer for the days tested.

- D. Trace the total credit card sales receipts on the Daily Cash Sheet to the amount reported by the credit card vendor for agreement.

Description of Findings and Results

The total credit card sales receipts on the Daily Cash Sheet agreed to the amount reported by the credit card vendor for the days tested.

- E. Trace the total receipts on the Daily Cash Sheet to the Senate Gift Shop general ledger deposit entries for agreement.

Description of Findings and Results

The total receipts on the Daily Cash Sheet agreed to the Senate Gift Shop general ledger deposit entries for the days tested.

II. Procedures Related to the Senate Gift Shop Weekly Deposit for Each Day Selected

- A. Recalculate the total receipts from the Daily Cash Sheets for the week related to the day selected and trace to the amount reported on the related Weekly Cash Sheet for agreement.⁶

Description of Findings and Results

The total receipts from the Daily Cash Sheets were mathematically correct and agreed to the amount reported on the related Weekly Cash Sheet for 26 days. For the weeks related to the remaining 3 days, there were no cash and check transactions, and therefore Weekly Cash Sheets were not prepared.⁷

- B. Trace the total of cash and checks on the Weekly Box Safe Count to the total on the related Weekly Cash Sheet for agreement.⁸

Description of Findings and Results

The total of cash and checks on the Weekly Box Safe Count agreed to the related Weekly Cash Sheets for 26 days. For the weeks related to the remaining 3 days, there were no cash and check transactions, and

⁶Per Senate Gift Shop procedures, the Daily Cash Sheets are summarized on a Weekly Cash Sheet.

⁷Per Senate Gift Shop procedures, when there are no cash and check transactions, certain procedures are not performed, including preparation of the Weekly Cash Sheet, Weekly Box Safe Count, and weekly deposit envelope.

⁸Per Senate Gift Shop procedures, receipts of cash and checks are stored in the Senate Gift Shop's safe cash box until the weekly deposit is prepared.

therefore Weekly Box Safe Counts and Weekly Cash Sheets were not prepared.

- C. Inspect the related Weekly Cash Sheet to determine whether evidence exists that it was signed by a Senate Gift Shop management official.

Description of Findings and Results

There was evidence that a Senate Gift Shop management official signed the related Weekly Cash Sheets for 26 days. For the weeks related to the remaining 3 days, there were no cash and check transactions, and therefore Weekly Cash Sheets were not prepared.

- D. Inspect the related Weekly Cash Sheet to determine whether evidence exists that the preparer was someone other than a Senate Gift Shop management official.

Description of Findings and Results

There was evidence that the preparer of the related Weekly Cash Sheets selected for testing was someone other than a Senate Gift Shop management official for 26 days. For the weeks related to the remaining 3 days, there were no cash and check transactions, and therefore Weekly Cash Sheets were not prepared.

- E. Trace the total of cash and checks on the related Weekly Cash Sheet to the total on the related deposit envelope provided to the Senate Disbursing Office (SDO) for agreement.

Description of Findings and Results

The total of cash and checks on the Weekly Cash Sheets agreed to deposit envelopes provided to the SDO for the related weeks for 26 days. For the weeks related to the remaining 3 days, there were no cash and check transactions, and therefore Weekly Cash Sheets were not prepared and deposit envelopes were not provided to the SDO.

- F. Inspect the deposit envelope for the related week to determine whether evidence exists that it was signed by a Senate Gift Shop management official.

Description of Findings and Results

There was evidence that a Senate Gift Shop management official signed the deposit envelopes for the related weeks for 26 days. For the weeks related to the remaining 3 days, there were no cash and check transactions, and therefore deposit envelopes were not prepared.

- G. Trace the total on the deposit envelope for the related week to the temporary deposit receipt that the SDO provided for agreement.⁹

⁹Per Senate Gift Shop procedures, the weekly deposit is recorded on a deposit envelope and delivered to the SDO, which generates a temporary deposit receipt. The temporary deposit receipt documents the amount submitted to the SDO for deposit; however, the amount is not verified against the cash in the deposit envelope at this time.

Description of Findings and Results

The total on the deposit envelopes agreed to the temporary deposit receipts that the SDO provided for the related weeks for 26 days. For the weeks related to the remaining 3 days, there were no cash and check transactions, and therefore deposit envelopes were not prepared and the SDO did not provide temporary deposit receipts.

- H. Trace the total on the temporary deposit receipt for the related week to the SDO report for agreement.¹⁰

Description of Findings and Results

The total on the temporary deposit receipts agreed to the SDO reports for the related weeks for 18 days. For weeks related to 3 days, there were no cash and check transactions. Therefore, the SDO did not provide the temporary deposit receipts and SDO reports. Regarding the remaining 8 days, the SDO decided to stop providing the SDO reports for the weekly deposits beginning in March 2020 because of the Coronavirus Disease 2019 pandemic.

- I. Trace the total of cash and checks on the related Weekly Cash Sheet to the Senate Gift Shop general ledger deposit total for agreement.

Description of Findings and Results

The total of cash and checks on the Weekly Cash Sheets agreed to the Senate Gift Shop general ledger deposit total for the related weeks for 26 days. For the weeks related to the remaining 3 days, there were no cash and check transactions, and therefore Weekly Cash Sheets were not prepared.

III. Procedures Related to the Senate Gift Shop Monthly Reconciliation for Each Day Selected

- A. Recalculate the total weekly deposit receipts for the related month and trace to the deposits reported on the monthly account statement report that the SDO provided for agreement.

Description of Findings and Results

The total weekly deposit receipts for the related months were mathematically correct and agreed to the deposits reported on the monthly account statement report that the SDO provided for 26 days. For the weeks related to the remaining 3 days, there were no cash and check transactions, and therefore weekly deposits were not prepared.

¹⁰Per Senate Gift Shop procedures, once the SDO calculates the amount of the deposit, it provides a report from its records to the Senate Gift Shop.

- B. Trace the credit card sales receipts that the credit card vendor reported for the day selected to the monthly account statement report that the SDO provided for agreement.

Description of Findings and Results

The credit card sales receipts that the credit card vendor reported for the days tested agreed to the monthly account statement report that the SDO provided.

- C. Trace the related monthly account ending balance per the Senate Gift Shop general ledger to the SDO fund balance per the monthly reconciliation for agreement.

Description of Findings and Results

The monthly account ending balance per the Senate Gift Shop general ledger agreed to the SDO fund balance per the monthly reconciliation for the related months.

- D. Inspect the related monthly reconciliation to determine whether evidence exists that it was signed by the Senate Gift Shop Director.

Description of Findings and Results

There was evidence that the Senate Gift Shop Director signed the monthly reconciliations for the related months.

IV. If an exception is noted in any of the procedures conducted above, bring it to the attention of Senate Gift Shop officials for their review and explanation.

Description of Findings and Results

No exceptions were noted in the procedures conducted above.

Enclosure II -- Senate Gift Shop Revolving Fund FY 2020 Disbursements

We selected a random sample of 39 invoices¹¹ from a population of 460 invoices paid from the Senate Gift Shop Revolving Fund during fiscal year 2020.¹² For each invoice selected, we performed the following procedures.

I. Procedures Related to the Senate Gift Shop Purchasing Process for Each Invoice Selected

- A. Recalculate the amount invoiced to determine whether it is mathematically correct.

Description of Findings and Results

The amount invoiced was mathematically correct for the invoices selected for testing.

- B. Trace the amount invoiced to the quantity received and recorded on the receiving report for agreement.

Description of Findings and Results

The amount invoiced agreed to the quantity received and recorded on the receiving report for 31 of the invoices. Of the remaining eight invoices, five were for shipping expenses, two were for services, and one was for supplies for operations of the Senate Gift Shop, and therefore receiving reports were not prepared.¹³

- C. Inspect the receiving report to determine whether evidence exists that the receiver of the goods was someone other than the Senate Gift Shop Director.

Description of Findings and Results

There was evidence on the receiving report related to 31 of the invoices that the receiver of the goods was someone other than the Senate Gift Shop Director. Of the remaining eight invoices, five were for shipping expenses, two were for services, and one was for supplies for operations of the Senate Gift Shop, and therefore receiving reports were not prepared.

- D. Trace the quantity received and recorded on the receiving report to the quantity ordered on the purchase order for agreement. If the quantities differ, then inspect the receiving

¹¹We selected a random sample with a 90 percent confidence level, 5 percent tolerable deviation rate, and zero expected deviations.

¹²Per Senate Gift Shop procedures, the Senate Disbursing Office issues payment to the vendor who supplied the products or services on behalf of the Senate Gift Shop after the Senate Gift Shop and the Senate Disbursing Office approve the vouchers.

¹³Per Senate Gift Shop procedures, the receiving report is applicable only for inventory purchased for resale in the Senate Gift Shop.

report to determine whether evidence exists that the Senate Gift Shop Director initialed it.¹⁴

Description of Findings and Results

The quantity received and recorded on the receiving report agreed to the quantity ordered on the purchase order for 22 of the invoices selected for testing. For nine invoices, the quantity received and recorded on the receiving report did not agree to the quantity ordered on the purchase order as it was a partial delivery. There was evidence that the Senate Gift Shop Director initialed the receiving report for these nine invoices. Of the remaining eight invoices, five were for shipping expenses, two were for services, and one was for supplies for operations of the Senate Gift Shop, and therefore receiving reports were not prepared.

- E. Inspect the purchase order to determine whether evidence exists that the Senate Gift Shop Director initialed it.

Description of Findings and Results

There was evidence that the Senate Gift Shop Director initialed the purchase order related to 33 of the invoices selected for testing. Of the remaining six invoices, five were for shipping expenses,¹⁵ and one was for repair services,¹⁶ and therefore purchase orders were not prepared.

II. Procedures Related to the Senate Gift Shop Invoice Payment Process for Each Invoice Selected

- A. Inspect each invoice to determine whether evidence exists that it was for goods or services related to the operation of the Senate Gift Shop, including inventory for resale, supplies, equipment, and other expenses.¹⁷

Description of Findings and Results

There was evidence that the invoices for the sample selected were for goods or services related to the operation of the Senate Gift Shop.

¹⁴Per Senate Gift Shop procedures, the Senate Gift Shop Director initials the receiving report acknowledging any discrepancy in the number of items received compared to the amount ordered such as partial deliveries.

¹⁵Per Senate Gift Shop procedures, vendors can bill shipping expenses to the Senate Gift Shop's UPS account. UPS invoices the Senate Gift Shop for shipping expenses weekly. The Senate Gift Shop reviews the shipping expenses for the month when the invoice is approved for payment.

¹⁶Per Senate Gift Shop officials, the Senate Gift Shop provides repair services for Senate identification pins.

¹⁷Pursuant to 2 U.S.C. § 6576(c)(1), all moneys in the revolving fund shall be available without fiscal year limitation for the Secretary of the Senate to disburse in connection with the operation of the Senate Gift Shop, including for supplies, equipment, and other expenses.

- B. Trace the invoice amount to the related voucher to be paid that the Senate Gift Shop provided to the Senate Disbursing Office (SDO) for agreement.¹⁸

Description of Findings and Results

The invoice amount agreed to the related voucher to be paid that the Senate Gift Shop provided to the SDO for the invoices selected for testing.

- C. Recalculate the total amount of invoices that are included in the related voucher to be paid and trace to the total on the voucher cover letter for agreement.

Description of Findings and Results

The total amount of invoices included in the voucher to be paid were mathematically correct and agreed to the total on the voucher cover letter related to the invoices selected for testing.

- D. Inspect the voucher cover letter related to the invoice selected for testing to determine whether evidence exists that the Senate Gift Shop Director signed it.

Description of Findings and Results

There was evidence that the Senate Gift Shop Director signed the voucher cover letter related to the invoices selected for testing.

- E. Inspect the voucher cover letter related to the invoice selected for testing to determine whether evidence exists that a designee of the Senate Rules and Administration Committee signed it.¹⁹

Description of Findings and Results

There was evidence that a designee of the Senate Rules and Administration Committee signed the voucher cover letter related to the invoices selected for testing.

- F. Trace the invoice amount to the amount posted to the Senate Gift Shop general ledger for agreement.

Description of Findings and Results

The invoice amount agreed to the amount posted to the Senate Gift Shop general ledger for the invoices selected for testing.

¹⁸Per Senate Gift Shop procedures, the Accounts Administrator creates a file of invoices to be paid, which are then grouped into a voucher. This file includes the vendor number, invoice number, invoice amount, and other attributes related to the various invoices submitted for payment.

¹⁹Pursuant to 2 U.S.C. § 6503, the Senate Committee on Rules and Administration is required to approve all contingent fund expenses. The Senate Gift Shop Revolving Fund is established within the contingent fund of the Senate per 2 U.S.C. § 6576(c)(1).

III. Procedures Related to the Senate Gift Shop Monthly Reconciliation for Each Invoice Selected

- A. Trace the invoice amount to the amounts included in the related monthly account statement report that the SDO provided for agreement.

Description of Findings and Results

The invoice amount agreed to the amount included in the related monthly account statement report that the SDO provided for the invoices selected for testing.

- B. Trace the related monthly account ending balance per the Senate Gift Shop general ledger to the SDO fund balance per the monthly reconciliation for agreement.

Description of Findings and Results

The monthly account ending balance per the Senate Gift Shop general ledger agreed to the SDO fund balance per the monthly reconciliation for the months related to the invoices selected for testing.

- C. Inspect the related monthly reconciliation to determine whether evidence exists that the Senate Gift Shop Director signed it.

Description of Findings and Results

There was evidence that the Senate Gift Shop Director signed the monthly reconciliation for the months related to the invoices selected for testing.

IV. If an exception is noted in any of the procedures conducted above, bring it to the attention of Senate Gift Shop officials for their review and explanation.

Description of Findings and Results

No exceptions were noted in the procedures conducted above.

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