



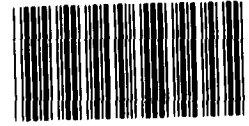
COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON D.C. 20548

119712

B-199627

OCTOBER 18, 1982

The Honorable Howard S. Liebengood  
Sergeant at Arms  
United States Senate



119712

Dear Mr. Liebengood:

Subject: Audit of the Senate Barber Shops Revolving  
Fund for Calendar 1981 (GAO/AFMD-83-11)

Pursuant to your February 25, 1982, request, we have examined the balance sheet of the Senate Barber Shops Revolving Fund as of December 31, 1981 and 1980, and the related statements of income and expense, changes in financial position, and retained income analysis for the years then ended. 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.

In our opinion, the financial statements referred to above present fairly the financial position of the Senate Barber Shops Revolving Fund as of December 31, 1981 and 1980, and the results of its operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles and the financial accounting policies described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Sincerely yours,

Comptroller General  
of the United States

Enclosures

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SENATE BARBER SHOPS REVOLVING FUND  
REPORT ON INTERNAL ACCOUNTING CONTROLS  
AND COMPLIANCE WITH LAWS AND REGULATIONS

We have examined the financial statements of the Senate Barber Shops Revolving Fund for the year ended December 31, 1981. Our opinion on them is in our report to the Sergeant at Arms. 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.

As part of our examination, we made a study and evaluation of the Senate Barber Shops' system of internal accounting control 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 Senate Barber Shops' financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

For the purpose of this report, we identified, studied, and evaluated the significant internal accounting controls (receipts and disbursements).

The management of the Senate barber shops is responsible for establishing and maintaining a system of internal accounting control. 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 financial statements in accordance with generally accepted accounting principles and the financial accounting policies described in note 1 to the financial statements.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods carries the risk that (1) procedures may become inadequate because of changes in condition or (2) the degree of compliance with the procedure may deteriorate.

Our study and evaluation made for the limited purpose described in the second paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion

on the system of internal accounting control of the Senate Barber Shops taken as a whole. However, our study and evaluation disclosed no condition that we believed to be a material weakness.

We also reviewed the provisions of applicable laws and regulations to determine the material compliance requirements which may have a financial impact on the Senate Barber Shops' financial statements. In our opinion the Senate Barber Shops Revolving Fund complied with the provisions of applicable laws and regulations that could have materially affected the financial statements.

COMMENTS ON THE OPERATIONS OF THE  
SENATE BARBER SHOPS REVOLVING FUND

The Senate Employees Barber Shops Revolving Fund was authorized by the Legislative Branch Appropriations Act, 1977, (Public Law 94-440, approved October 1, 1976).

The Supplemental Appropriations Act, 1977, (Public Law 95-26, approved May 4, 1977), amended the initial legislation to provide for the fund to include all Senate barber shops and renamed it the Senate Barber Shops Revolving Fund. This change was effective April 1, 1977. All moneys received by the Senate barber shops are deposited in the revolving fund and are available for disbursement by the Secretary of the Senate for the necessary supplies and expenses of the Senate barber shops. Employee salaries and benefits and certain other expenses, such as space, utilities, and ordinary building repairs and maintenance, are paid from appropriated funds and not charged to the revolving fund.

The law provides that on or before December 31 of each year, the Secretary of the Senate is to withdraw from the revolving fund and deposit in the Treasury as miscellaneous receipts all moneys over \$10,000 in the revolving fund at September 30, the close of the Senate barber shops' fiscal year.

As required, the Secretary transferred \$61,914.05 on October 19, 1981, to the Treasury. The transfer represented the excess moneys in the revolving fund at September 30, 1981.

The Senate barber shop provides convenient, efficient, and timesaving service to Senators and employees of the Senate. On July 31, 1981, the Senator's barber shop in the U.S. Capitol was closed and all operations were consolidated in the barber shop in the Russell Senate Office Building.

The barber shop is managed by a chief barber, under the direction of the Sergeant at Arms of the Senate, in accordance with rules and regulations prescribed by the Senate Committee on Rules and Administration.

At December 31, 1981, the shop was staffed by a chief barber, four barbers, and an attendant.

UNITED STATES SENATEBARBER SHOPS REVOLVING FUNDCOMPARATIVE BALANCE SHEETDECEMBER 31, 1981 AND 1980 (note 1)

<u>ASSETS</u>	<u>1981</u>	<u>1980</u>
CURRENT ASSETS:		
Cash	\$26,710.57	\$23,404.31
Advance from Senate Disbursing Office	<u>75.00</u>	<u>125.00</u>
TOTAL ASSETS	<u>\$26,785.57</u>	<u>\$23,529.31</u>

LIABILITIES, CAPITAL, AND RETAINED INCOME

## LIABILITIES:

Amount due Senate Disbursing Office	\$ 75.00	\$ 125.00
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## CAPITAL AND RETAINED INCOME:

Fund capital pursuant to Public Law 95-26	\$10,000.00	\$10,000.00
Retained income (note 2)	<u>16,710.57</u>	<u>26,710.57</u>
TOTAL LIABILITIES, CAPITAL, AND RETAINED INCOME	<u>\$26,785.57</u>	<u>\$23,529.31</u>

The accompanying notes are an integral part of this statement.

UNITED STATES SENATE  
BARBER SHOPS REVOLVING FUND  
COMPARATIVE STATEMENT OF INCOME AND EXPENSE  
AND RETAINED INCOME  
CALENDAR 1981 AND 1980 (note 1)

	<u>1981</u>	<u>1980</u>
Receipts	\$71,013.39	\$59,410.18
Operating expenses	<u>5,793.08</u>	<u>5,532.90</u>
Net income for year	65,220.31	53,877.28
Prior period undistributed income	<u>13,404.31</u>	<u>13,192.14</u>
Accumulated income	78,624.62	67,069.42
Transfers to U.S. Treasury (note 2)	<u>61,914.05</u>	<u>53,665.11</u>
RETAINED INCOME AT DECEMBER 31	<u>\$16,710.57</u>	<u>\$13,404.31</u>

The accompanying notes are an integral part of this statement.

UNITED STATES SENATEBARBER SHOPS REVOLVING FUNDCOMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITIONCALENDAR 1981 AND 1980 (note 1)

	<u>1981</u>	<u>1980</u>
FUNDS PROVIDED:		
Receipts	<u>\$71,013.39</u>	<u>\$59,410.18</u>
TOTAL FUNDS PROVIDED	<u>\$71,013.39</u>	<u>\$59,410.18</u>
FUNDS APPLIED:		
Operating expenses	\$ 5,793.08	\$ 5,532.90
Amount transferred to		
U.S. Treasury	61,914.05	53,665.11
Increase in working capital	<u>3,306.26</u>	<u>212.17</u>
TOTAL FUNDS APPLIED	<u>\$71,013.39</u>	<u>\$59,410.18</u>

ANALYSIS OF CHANGES IN WORKING CAPITAL

Cash	\$ 3,356.26	\$ 212.17
Advance from Senate Disburs- ing Office	<u>(50.00)</u>	<u>-</u>
NET INCREASE IN WORKING CAPITAL	\$ <u>3,306.26</u>	\$ <u>212.17</u>

The accompanying notes are an integral part of this statement.

UNITED STATES SENATE  
BARBER SHOPS REVOLVING FUND  
NOTES TO FINANCIAL STATEMENTS  
CALENDAR 1981 AND 1980

1. Significant Accounting Policies

Operating expenses do not include the costs of salaries, benefits, or services such as space, utilities, and ordinary building repairs and maintenance, which were furnished to the Senate Barber Shops without charge.

2. The net income balance at September 30 is transferred as miscellaneous receipts to the Treasury. The net income balance at the end of each year represents operating income from October 1 through December 31.



No. 1 of 1

TITLE OF REPORT (and Requester on Congressional Assignments)  
Audit of The Senate Barber Shop Revolving Fund for calendar year 1981

REPORT NUMBER GAO/AFMD- <del>82-14</del>	B-NUMBER B-199627	ASSIGNMENT CODE 916731	DATE ISSUED 10-18-82
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APPROVED: D. J. Ouyette by R. J. Points 9/21/02  
 (Associate Director or Comparable Official) (Date)  
[Signature] 5-21-02  
 (Director) (Date)

FOR FURTHER INFORMATION CONTACT:  
Mr. Harry J. Sanger  
 (Name)  
226-2480  
 (Phone Number)