



GAO

Accountability \* Integrity \* Reliability

United States Government Accountability Office  
Washington, DC 20548

---

February 3, 2005

The Honorable Henry J. Hyde  
Chairman  
Committee on International Relations  
House of Representatives

Subject: *Applying Agreed-Upon Procedures: House Interparliamentary Groups*

Dear Mr. Chairman:

We have performed the procedures contained in enclosure I to this letter, which we agreed to perform and with which you concurred, solely to assist you in evaluating the extent to which the Schedules of Receipts, Disbursements, and Fund Balance for five Interparliamentary Groups appropriately reflect the actual cash receipts and disbursements and related fund balances for the years ended December 31, 2002, and 2001. These five groups are:

- Mexico-United States Interparliamentary Group,
- Canada-United States Interparliamentary Group,
- Transatlantic Legislators' Dialogue,
- United States Group of the NATO Parliamentary Assembly, and
- British-American Parliamentary Group.

As agreed with your staff, we applied these procedures to the activity reflected in the 2002 and 2001 schedules prepared by each Group.

In performing the agreed-upon procedures, we conducted our work in accordance with U.S. generally accepted government auditing standards, which incorporate financial audit and attestation standards established by the American Institute of Certified Public Accountants. These standards also provide guidance when performing and reporting the results of agreed-upon procedures.

You are responsible for the adequacy of the procedures to meet your objectives and we make no representation in that respect. The procedures we agreed to perform for each Group include (1) comparing recorded receipts to appropriation requests, bank statements, and other supporting documentation; (2) comparing recorded disbursements to vouchers, canceled checks, and other supporting documentation;

and (3) recalculating and comparing fund balance with amounts recorded in the general journal and Schedule of Receipts, Disbursements, and Fund Balance for 2002 and 2001. Enclosure I contains the agreed-upon procedures and the results of our work.

We were not engaged to perform, and did not perform, an examination, the objective of which would have been to express an opinion on the amounts reported on the schedules. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you. We completed our agreed-upon procedures on December 9, 2004.

We provided a draft of this report to your staff for review and comment. They agreed with the results and findings presented in this report.

This report is intended solely for the use of the House Committee on International Relations and should not be used by those who have not agreed to the procedures or have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. Copies are available upon request. This report is also available at no charge on GAO's Web site at <http://www.gao.gov>.

If you have any questions please call me at (202) 512-9521, or Julie Phillips, Assistant Director at (202) 512-5121.

Sincerely yours,

A handwritten signature in cursive script that reads "Steven J. Sebastian".

Steven J. Sebastian  
Director  
Financial Management and Assurance

Enclosures

## House Interparliamentary Groups Procedures and Results

### **I. Receipts procedures**

- A. Compare the amount of the appropriation recorded in the general journal for each Group for calendar years 2002 and 2001 to evidence of the amount of the appropriation requested and related deposits recorded on the bank statements.

#### Results

For each Group, the annual appropriation recorded in the general journal for 2002 and 2001 agreed to the appropriation requested and the bank statements.

- B. Compare the interest recorded in the general journal for each Group as received for calendar years 2002 and 2001 to the interest credited on the Group's 2002 and 2001 bank statements.

#### Results

For each Group, the interest recorded in the general journal as received for calendar years 2002 and 2001 agreed to the interest credited on the Group's 2002 and 2001 bank statements.

- C. Compare the other receipts recorded in the general journal as received for calendar years 2002 and 2001 to deposit slips, bank statements, and/or other documentation evidencing the receipts.

#### Results

For each Group, the amounts of other receipts recorded in the general journal were supported by deposit slips, bank statements, and supporting documentation.

### **II. Disbursements procedures**

For each of the reported disbursement categories (representation functions, interpreters/translators, travel, lodging, transfers to U.S. Treasury, and miscellaneous), obtain and review vouchers, canceled checks, and other supporting documentation for each disbursement recorded in the general journal for each Group for 2002 and 2001. As part of the review:

- A. Compare the amount disbursed per the general journal to the voucher amount.

## Enclosure I

### Results

For all recorded disbursement transactions for each Group, the voucher amount agreed with the amount disbursed per the general journal except in two instances which involve very minor amounts.

For the Canada-United States Interparliamentary Group, the voucher amount for one transaction is \$0.61 greater than the amount recorded in the 2001 general journal. The numerical amount of \$231.61 written on the check agreed with the amount of the voucher; however, the alphabetical amount written on the check was in the amount of two hundred thirty-one dollars -- 61 cents was omitted. The amount recorded in the general journal agreed with the alphabetical amount written on the check and disbursed by the bank.

For the British American Parliamentary Group, the voucher amount of \$448.88 for one transaction is \$40.00 less than the amount recorded in the 2002 general journal. The amount erroneously recorded in the general journal and on the check is \$488.88. The Group's treasurer requested a refund; however, the vendor did not provide a reimbursement for the overpayment.

- B. Compare the payee on the voucher to the supporting documentation.

### Results

For all vouchers for each Group, the payee on the voucher agreed to the supporting documentation.

- C. Examine each voucher and supporting documentation for evidence that the (a) designated official certified that the goods and/or services were received, (b) voucher was approved by an authorizing official, and (c) voucher was approved before the date of the related check in payment of the voucher.

### Results

For all transactions for each Group, the designated official certified that the goods and/or services were received, and an authorizing official approved the voucher, with one exception.

For one 2002 transaction for the Canada-United States Interparliamentary Group totaling \$838.97, the voucher and approval were dated 10 days after the date on the check. For all other transactions, the voucher approval was dated prior to payment.

- D. For each voucher, examine the related canceled check to determine whether the check was signed by the designated official and endorsed by the payee.

Results

All canceled checks examined for each Group were signed by the designated official and endorsed by the payee, including replacements for lost checks. However, we were unable to examine nine checks written in the 2-year period because they were not in the records. In addition, the treasurers of the Groups provided the underlying reasons presented below for the unavailable canceled checks.

- Four checks totaling \$1,824.01 written in 2001 for the British-American Parliamentary Group cleared the bank but were lost in the mail along with the bank statement due to the anthrax crises at the Capitol Complex.
- One check in the amount of \$160.18 written in 2001 for the Mexico-United States Interparliamentary Group was lost by the payee and subsequently voided by the Group's staff. The Group issued a replacement check.
- One check for the Mexico-United States Interparliamentary Group written in 2002 in the amount of \$1,602.86 was held by the payee past the negotiable period and subsequently destroyed. The Group issued a replacement check.
- Two checks for the United States Group of the NATO Parliamentary Assembly written in 2002, totaling \$11,516.80, were lost by the payees. The Group issued replacement checks.
- One additional check for the United States Group of the NATO Parliamentary Assembly in the amount of \$14.80 was lost by the payee. The Group did not issue a replacement check.

E. Examine the entry in the general journal for each disbursement to determine whether the journal entry included the date of the check, the payee, the check number, the amount, and the description of the type or category of goods or services provided.

Results

With one exception, the transactions for each Group include the date of the check, the payee, the check number, the amount, and the description of the type or category of goods or services provided. For one 2002 disbursement for the United States Group of the NATO Parliamentary Assembly, the entry in the general journal does not include the date of the check.

F. For each payment voucher, examine the check register and subsequent bank statements to determine if a check was recorded, issued, and paid.

Results

For each Group, each voucher was paid except in the following three instances involving very minor amounts.

- As discussed in II.A. above, for one 2001 transaction for the Canada-United States Interparliamentary Group, the check was paid for \$231.00, resulting in a \$0.61 underpayment of the voucher.
- As discussed in II.D. above, for one 2002 transaction for the United States Group of the NATO Parliamentary Assembly, the payee lost the original check for \$14.80. The treasurer did not reissue a check; therefore, the voucher remained unpaid as of December 9, 2004.
- For one 2002 transaction for the British-American Parliamentary Group, a check was written for \$53.40 and recorded in the general journal; however, the check was never sent to the payee and was later voided. The voucher remained unpaid as of December 9, 2004.

**III. Overall procedures**

- A. Trace the opening fund balances for 2002 and 2001 recorded in the general journal to the closing balances recorded in the general journal for 2001 and 2000, respectively.

Results

The opening fund balance recorded in the general journal agreed to the prior year closing fund balance for four of the Groups. The British-American Parliamentary Group did not record an opening fund balance in the general journal for either year. However, the recorded balance after the initial transaction for each year agreed to the amount of the first transaction added to the ending balance recorded for the prior year.

- B. Trace the opening and closing fund balances for 2002 and 2001 in the Group's general journal and related bank statements to the opening and closing fund balances in the Group's Schedule of Receipts, Disbursements, and Fund Balance for 2002 and 2001.

Results

The opening fund balance for four Groups and the closing fund balance for the five Groups recorded in the general journal and bank statements agreed to the Group's Schedule of Receipts, Disbursements, and Fund Balance for 2002 and 2001. As mentioned previously, the British-American Parliamentary Group did not record an opening fund balance in the general journal for either year.

## Enclosure I

- C. Recalculate the Group's ending balances for 2002 and 2001 by adding all receipts posted to the journal to the opening balances recorded in the journal for 2002 and 2001 and subtracting all disbursements or other charges recorded in the journal for 2002 and 2001. Compare the results to the amount recorded as ending balances in the general journal and shown on the Schedule of Receipts, Disbursements, and Fund Balance.

### Results

The recalculated ending balances for each Group agreed to the ending balances on the Group's Schedule of Receipts, Disbursements, and Fund Balance. However, as stated above, the British-American Parliamentary Group did not record an opening fund balance in the general journal for either year.

- D. Using the amounts recorded in the general journal for 2002 and 2001, recalculate the (a) total receipts and total disbursements for the year; and (b) total receipts for each year by category (appropriations, interest, and other) and total disbursements for each year by category (representational functions, interpreters/translators, travel, lodging, transfers to U.S. Treasury, and miscellaneous). Trace the recalculated amounts to the amounts in the 2002 and 2001 Schedule of Receipts, Disbursements, and Fund Balance.

### Results

For four of the Groups, all category amounts, as well as receipt and disbursement totals recorded in the general journal agree with the amounts on the schedules. The British-American Parliamentary Group did not categorize the transactions into disbursement categories in the general journal; however, the Group did categorize disbursements in the Schedule of Receipts, Disbursements, and Fund Balance. The total disbursements and receipts recorded in the general journal and the total disbursements and receipts on the schedule agree.

- E. For each reconciling item on each Group's 2002 and 2001 year-end bank statements, examine supporting documentation for evidence that it is an appropriate reconciling item at year end and that it was subsequently resolved.

### Results

Each bank statement reconciling item for each Group at year-end 2002 and 2001 was supported by appropriate documentation and was subsequently resolved.

**Schedules of Receipts, Disbursements, and Fund Balance (Unaudited)**

Mexico-United States Interparliamentary Group

<b>House of Representatives</b> <b>Mexico-United States Interparliamentary Group</b> <b>Schedule of Receipts, Disbursements, and Fund Balance<sup>1</sup></b> (Unaudited)		
	<b>For the Year Ended December 31</b>	
	<b>2002</b>	<b>2001</b>
Beginning Fund Balance <sup>2</sup>	<b>\$ 50,960.49</b>	<b>\$123,052.05</b>
Receipts:		
Appropriation	\$ 60,000.00	\$ 40,000.00
Interest	112.95	418.18
Other	0.00	0.00
Total receipts	<b>\$ 60,112.95</b>	<b>\$ 40,418.18</b>
Disbursements:		
Representational functions <sup>3</sup>	\$ 6,253.70	\$ 87,339.70
Interpreters/translation	3,120.00	6,460.22
Travel	1,526.93	2,750.25
Lodging/per diem	5,690.86	14,922.64
Transfers to U.S. Treasury <sup>4</sup>	1,602.86	0.00
Miscellaneous	127.55	1,036.93
Total Disbursements	<b>\$ 18,321.90</b>	<b>\$112,509.74</b>
Ending Fund Balance <sup>5</sup>	<b>\$ 92,751.54</b>	<b>\$ 50,960.49</b>

<sup>1</sup>The Schedule of Receipts, Disbursements, and Fund Balance is prepared on a cash basis.

<sup>2</sup>Beginning Fund Balance represents the balance at January 1, 2002 and 2001 of interparliamentary group funds carried over from the prior period.

<sup>3</sup>Representational functions include the costs associated with holding the interparliamentary groups' annual conferences. These costs include expenses for supplies, gift items, ground transportation, official delegation group meals, and meeting room costs.

<sup>4</sup>Transfers represent disbursements by the Group to the U.S. Treasury pursuant to Section 502(b) of Title V of Public Law 103-236 (108 Stat. 462). Under this provision, interest earned from funds provided to the Group pursuant to Section 303 of Title III of Public Law 100-202 (101 Stat. 1329-23; 22 U.S.C. 276 note) and deposited in interest-bearing accounts shall be periodically deposited in a miscellaneous account of the Treasury.

<sup>5</sup>Ending fund balance represents the fund balance remaining at December 31, 2002 and 2001, and available for use in a subsequent period.



Canada-United States Interparliamentary Group

**House of Representatives  
Canada-United States Interparliamentary Group  
Schedule of Receipts, Disbursements, and Fund Balance<sup>1</sup>  
(Unaudited)**

	<u>For the Year Ended December 31</u>	
	2002	2001
Beginning Fund Balance <sup>2</sup>	<b>\$ 42,277.26</b>	<b>\$ 36,287.63</b>
Receipts:		
Appropriation	\$ 75,000.00	\$ 35,000.00
Interest	79.23	209.23
Other <sup>3</sup>	1,846.42	704.36
Total receipts	<b>\$ 76,925.65</b>	<b>\$ 35,913.56</b>
Disbursements:		
Representational functions <sup>4</sup>	\$ 42,745.94	\$ 6,190.20
Travel	405.50	0.00
Lodging/per diem	15,680.47	23,733.73
Transfers to U.S. Treasury <sup>5</sup>	502.59	0.00
Miscellaneous	209.30	0.00
Total disbursements	<b>\$ 59,543.80</b>	<b>\$ 29,923.93</b>
Ending Fund Balance <sup>6</sup>	<b>\$ 59,659.11</b>	<b>\$ 42,277.26</b>

<sup>1</sup>The Schedule of Receipts, Disbursements, and Fund Balance is prepared on a cash basis.

<sup>2</sup>Beginning Fund Balance represents the balance at January 1, 2001 and 2002 of interparliamentary group funds carried over from the prior period.

<sup>3</sup>Other receipts consist of amounts repaid by congressional members/staff for expenses related to activities of interparliamentary groups which were initially paid out of annual appropriations provided to fund the group: including reimbursement from Representatives Stearns, Shaw, English, Houghton, Peterson and Mr. Van Wicklin and U.S. Department of the Army for official expenses incurred in 2001 and 2002.

<sup>4</sup>Representational functions include the costs associated with holding the interparliamentary groups' annual conferences. These costs include expenses for supplies, gift items, ground transportation, official delegation group meals, and meeting room costs.

<sup>5</sup>Transfers represent disbursements by the Group to the U.S. Treasury pursuant to Section 502(b) of Title V of Public Law 103-236 (108 Stat. 462). Under this provision, interest earned from funds provided to the Group pursuant to Section 303 of Title III of Public Law 100-202 (101 Stat. 1329-23; 22 U.S.C. 276 note) and deposited in interest-bearing accounts shall be periodically deposited in a miscellaneous account of the Treasury.

<sup>6</sup>Ending fund balance represents the fund balance remaining at December 31, 2001 and 2002 and available for use in a subsequent period.

Transatlantic Legislators' Dialogue

**House of Representatives  
Transatlantic Legislators' Dialogue  
(Formerly the U.S. - European Community Interparliamentary Group)  
Schedule of Receipts, Disbursements, and Fund Balance<sup>1</sup>  
(Unaudited)**

	<u>For the Year Ended December 31</u>	
	2002	2001
Beginning Fund Balance <sup>2</sup>	<b>\$183,814.72</b>	<b>\$155,853.96</b>
Receipts:		
Appropriation	\$50,000.00	\$ 50,000.00
Interest	370.25	818.03
Total Receipts:	<b>\$50,370.25</b>	<b>\$ 50,818.03</b>
Disbursements:		
Representational Functions <sup>3</sup>	\$ 85,855.11	\$ 5,298.33
Interpreters/Translation	10,500.00	0.00
Travel	1,705.00	237.00
Lodging/per diem	28,968.60	17,056.69
Miscellaneous <sup>4</sup>	2,591.48	265.25
Total Disbursements	<b>\$129,620.19</b>	<b>\$ 22,857.27</b>
Ending Fund Balance <sup>5</sup>	<b>\$ 104,564.78</b>	<b>\$183,814.72</b>

<sup>1</sup>The schedule of Receipts, Disbursements, and Fund Balance is prepared on a cash basis.

<sup>2</sup>Beginning Fund Balance represents the balance at January 1, 2001 and January 1, 2002 of the Transatlantic Legislators' Dialogue funds carried over from the prior period.

<sup>3</sup>Representational Functions include the costs associated with holding the annual conferences. These costs include expenses for supplies, gift items, ground transportation, official delegation group meals, and control room costs.

<sup>4</sup>Transfers represent disbursements by the Dialogue to the U.S. Treasury pursuant to Section 502(b) of Title V of Public Law 103-236 (108 Stat. 462). Under this provision, interest earned from funds provided to the Dialogue pursuant to Section 303 of Title III of Public Law 100-202 (101 Stat. 1329-23; 22 U.S.C. 276 note) and deposited in interest-bearing accounts shall be periodically deposited in a miscellaneous account of the Treasury. Figure for 2002 includes interest payback to U.S. Government for the period January 2000-December 2001.

<sup>5</sup>Ending fund balance represents the fund balance remaining on December 31, 2001 and December 31, 2002 and available for use in subsequent periods.

United States Group of the NATO Parliamentary Assembly

**House of Representatives  
United States Group of the NATO Parliamentary Assembly  
Schedule of Receipts, Disbursements, and Fund Balance<sup>1</sup>  
(Unaudited)**

	<u>For the Year Ended December 31</u>	
	2002	2001
Beginning Fund Balance <sup>2</sup>	\$ 174,102.27	\$163,931.59
Receipts:		
Appropriation	\$ 100,000.00	\$ 50,000.00
Interest	356.00	791.26
Other	0.00	0.00
<b>Total Receipts</b>	<b>\$ 100,356.00</b>	<b>\$ 50,791.26</b>
Disbursements:		
Representational Functions <sup>3</sup>	\$ 20,690.09	\$ 17,180.92
Interpreters/Translation	0.00	0.00
Travel	24,740.55	22,076.27
Lodging/Perdiem	2,008.84	254.36
Repayment of Earned Interest	0.00	0.00
Miscellaneous	4,667.78	1,109.03
<b>Total Disbursements</b>	<b>\$ 52,107.26</b>	<b>\$ 40,620.58</b>
<b>Ending Fund Balance<sup>4</sup></b>	<b>\$ 222,351.01</b>	<b>\$174,102.27</b>

<sup>1</sup>The Schedule of Receipts, Disbursements, and Fund Balance is prepared on a cash basis.

<sup>2</sup>Beginning Fund Balance represents the balance at January 1, 2002 and 2001 of interparliamentary group funds carried over from the prior period.

<sup>3</sup>Representational Functions include the costs associated with holding each of the interparliamentary groups' annual conferences, such as supplies, gift items, ground transportation, official delegation group meals, and control rooms.

<sup>4</sup>Ending fund balance represents the final balance remaining at December 31, 2002 and 2001 and available for use in a subsequent period.

British-American Parliamentary Group

<b>House of Representatives</b> <b>British-American Parliamentary Group</b> <b>Schedule of Receipts, Disbursements, and Fund Balance<sup>1</sup></b> (Unaudited)		
	<b>For the Year Ended December 31</b>	
	<b>2002</b>	<b>2001</b>
Beginning Fund Balance <sup>2</sup>	<b>\$158,856.67</b>	<b>\$181,052.34</b>
Receipts:		
Appropriation	\$ 50,000.00	\$ 25,000.00
Interest	292.87	893.52
Other	0.00	0.00
Total receipts	<b>\$ 50,292.87</b>	<b>\$ 25,893.52</b>
Disbursements:		
Representational functions <sup>3</sup>	\$ 14,812.11	\$ 40,117.13
Travel	12,916.50	534.00
Lodging/per diem	829.40	7,183.04
Miscellaneous	125.37	255.02
Transfers to U.S. Treasury <sup>4</sup>	2,615.68	0.00
Total disbursements	<b>\$ 31,299.06</b>	<b>\$ 48,089.19</b>
Ending Fund Balance <sup>5</sup>	<b>\$ 177,850.48</b>	<b>\$158,856.67</b>

<sup>1</sup>The Schedule of Receipts, Disbursements, and Fund Balance is prepared on a cash basis.

<sup>2</sup>Beginning Fund Balance represents the balance at January 1, 2002 and 2001 of interparliamentary group funds carried over from the prior period.

<sup>3</sup>Representational functions include the costs associated with holding the interparliamentary groups' annual conferences. These costs include expenses for supplies, gift items, ground transportation, official delegation group meals, and meeting room costs.

<sup>4</sup>Transfers represent disbursements by the Group to the U.S. Treasury pursuant to Section 502(b) of Title V of Public Law 103-236 (108 Stat. 462). Under this provision, interest earned from funds provided to the Group pursuant to Section 303 of Title III of Public Law 100-202 (101 Stat. 1329-23; 22 U.S.C. 276 note) and deposited in interest-bearing accounts shall be periodically deposited in a miscellaneous account of the Treasury.

<sup>5</sup>Ending fund balance represents the fund balance remaining at December 31, 2002 and 2001, and available for use in a subsequent period.