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REPORT BY THE

Comptroller General

OF THE UNITED STATES

Audit Of Financial Transactions Of The Sergeant At Arms For The 12 Months Ended June 30, 1980 House Of Representatives



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

B-114854

To the Speaker and the Sergeant at Arms
of the House of Representatives

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We have audited the financial transactions of the Sergeant at Arms, House of Representatives, for the 12 months ended June 30, 1980, pursuant to the act of July 26, 1949 (2 U.S.C. 81a).

GENERAL COMMENTS

The Sergeant at Arms, as a fiscal officer of the House, disburses funds appropriated for (1) compensation of Members, (2) mileage of Members, and (3) gratuities to widows, widowers, or heirs of deceased Members. He also maintains an operation commonly referred to as the "House Bank."

Salary and expenses appropriations are disbursed on the basis of monthly payroll vouchers covering the earned salaries and mileages of Members. The amounts due Members are either paid by check or, if they request, transferred to their credit in the deposit fund account established in the Treasury for this purpose.

The deposit fund consists of the total of the individual accounts for the various Members who use the "House Bank" facility. Members withdraw money from their accounts by presenting written orders for payment either directly to the Sergeant at Arms or through regular banking channels.

Money in the Members' accounts is used to cash checks for Members and employees of the House. Checks drawn on other banks by Members and staff are exchanged for cash at a local bank on the next business day. Other "House Bank" operations consist of selling traveler's checks and assisting Members in (1) purchasing savings bonds and (2) negotiating and liquidating personal loans with a local bank.

ASSETS AND LIABILITIES

The funds for which the Sergeant at Arms was accountable at December 31, 1979, and June 30, 1980, are summarized in the statement of assets, liabilities, and Government equity. (See sch. 1.) Pertinent comments on certain accounts, transactions, and accounting controls are presented below.

Exchange items on hand

Exchange items on hand amounting to \$96,426.71 at December 31, 1979, and \$177,079.20 at June 30, 1980, represent checks drawn on other banks and cashed for Members and employees of the House on the last business day of each 6-month period.

The peak volume of check-cashing transactions occurs when House employees cash their paychecks. During the 12 months ended June 30, 1980, the largest volume of checks cashed during a month occurred in April when checks amounting to \$3,035,974.17 were cashed, and the largest volume during 1 day occurred on October 31, when checks totaling \$408,809.68 were cashed.

The check-cashing transactions for the 12 months ended June 30, 1980, are summarized below.

	<u>6 months ended</u>	
	<u>December 31,</u> <u>1979</u>	<u>June 30,</u> <u>1980</u>
Checks on hand at beginning of period	\$ 139,948.14	\$ 96,426.71
Checks cashed	<u>13,548,940.31</u>	<u>14,230,648.90</u>
	13,688,888.45	14,327,075.61
Checks exchanged for cash	<u>13,592,461.74</u>	<u>14,149,996.41</u>
Checks on hand at end of period	<u>\$ 96,426.71</u>	<u>\$ 177,079.20</u>

Of the checks cashed during the year, \$79,936 or about 0.29 percent, were returned for reasons such as insufficient funds. This represented a 0.01-percent increase over the previous year in the percentage of checks returned.

The Sergeant at Arms maintains control over each returned check until it is liquidated; all such items are monitored daily, and only minor losses have occurred under this control. No loss was incurred during the 12-month period under review.

Due from Members

Amounts due from Members (see sch. 1) represent checks drawn on and cashed or paid by the Sergeant at Arms but not charged to the Members' accounts. Usually a check is held because of insufficient funds in the account of the Member drawing the check.

The Sergeant at Arms monitors, on a daily basis, all such items, and no losses have occurred under this control.

Tellers' shortages and overages

Tellers' shortages and overages are recorded each day, and the net shortage, if any, at September 30th of each year is reimbursed from the Contingent Fund of the House, as authorized by the act of June 27, 1956 (2 U.S.C. 81b).

Total shortages charged from September 30, 1979, to June 30, 1980, amounted to \$585.11. These shortages were offset in part by tellers' overages of \$456.53 credited to the short and over account, resulting in a net shortage of \$128.58 at June 30, 1980.

SCOPE OF AUDIT

Our audit consisted of examinations of the financial transactions of the Sergeant at Arms for the 6 months ended December 31, 1979, and June 30, 1980, respectively, and included:

- Preparation of financial statements.
- A review of Federal laws relating to payments of salaries and mileage of Members and payments of gratuities to widows, widowers, or heirs of deceased Members.

--A review of "House Bank" operations.

--A review, on a test basis, of records and financial transactions, including such auditing procedures as we considered necessary.

Because employees' salaries and other expenses of the Office of the Sergeant at Arms are paid by the Clerk of the House from separate appropriations, such transactions were not covered in this audit.

OPINION ON FINANCIAL STATEMENTS

We prepared the accompanying financial statements (schs. 1 through 3) from the records of the Sergeant at Arms. In preparing the Statement of Assets, Liabilities, and Government Equity from these records, which are maintained on a cash basis, we made adjustments to present the accountability of the Sergeant at Arms on an accrual basis.

In our opinion, the accompanying financial statements present fairly the financial position and accountability of the Sergeant at Arms at December 31, 1979, and June 30, 1980, respectively, and the financial transactions for the 6-month periods ended at those dates, on a basis consistent with that of the preceding year and in accordance with applicable Federal laws.


Comptroller General
of the United States

SERGEANT AT ARMSHOUSE OF REPRESENTATIVESSTATEMENT OF ASSETS, LIABILITIES, ANDGOVERNMENT EQUITYDECEMBER 31, 1979, AND JUNE 30, 1980

<u>A S S E T S</u>	December 31, <u>1979</u>	June 30, <u>1980</u>
APPROPRIATED FUNDS:		
Funds with U.S. Treasury	<u>\$23,076,601.23</u>	<u>\$8,423,300.60</u>
DEPOSIT FUNDS:		
Funds with U.S. Treasury	717,587.96	840,120.43
Cash on hand	105,326.02	159,453.38
Exchange items on hand	96,426.71	177,079.20
Accounts receivable:		
Due from Members	66,447.80	48,527.38
Tellers' shortages	<u>269.52</u>	<u>585.11</u>
	<u>986,058.01</u>	<u>1,225,765.50</u>
Total assets	<u>\$24,062,659.24</u>	<u>\$9,649,066.10</u>

L I A B I L I T I E S A N D
G O V E R N M E N T E Q U I T Y

APPROPRIATED FUNDS:		
Liabilities		
Accrued salaries	\$ 2,411,974.51	\$2,613,141.60
Government equity:		
Unobligated budget authority	<u>20,664,626.72</u>	<u>5,810,159.00</u>
	<u>23,076,601.23</u>	<u>8,423,300.60</u>
DEPOSIT FUNDS:		
Liabilities:		
Accounts payable:		
Members' deposits	985,831.16	1,225,308.97
Tellers' overages	<u>226.85</u>	<u>456.53</u>
	<u>986,058.01</u>	<u>1,225,765.50</u>
Total liabilities and Government equity	<u>\$24,062,659.24</u>	<u>\$9,649,066.10</u>

SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES
STATEMENT OF FINANCIAL TRANSACTIONS
APPROPRIATED FUNDS

FOR 6-MONTH PERIODS ENDED DECEMBER 31, 1979, AND
JUNE 30, 1980, AND FOR THE 12-MONTH PERIOD ENDED JUNE 30, 1980

	<u>6-month period ended</u>		<u>12-month period ended</u>
	<u>December 31,</u>	<u>June 30,</u>	<u>June 30,</u>
	<u>1979</u>	<u>1980</u>	<u>1980</u>
ACCOUNTABLE BALANCE AT BEGINNING OF PERIOD	\$ 9,486,497.11	\$23,076,601.23	\$ 9,486,497.11
APPROPRIATIONS:			
Salaries	27,690,000.00	-	27,690,000.00
Mileage	210,000.00	-	210,000.00
Total appropriations	<u>27,900,000.00</u>	<u>-</u>	<u>27,900,000.00</u>
Total funds available	<u>37,386,497.11</u>	<u>23,076,601.23</u>	<u>37,386,497.11</u>
DISBURSEMENTS AND TRANSFERS:			
Salaries and Government contributions:			
Paid to Members:			
By check	686,164.35	711,730.02	1,397,894.37
Transferred to deposit fund account (sch. 3)	7,104,374.89	7,317,233.12	14,421,608.01
Federal withholding tax deductions paid to Internal Revenue Service	3,474,880.55	3,614,914.25	7,089,794.80
State withholding tax deductions transferred to deposit fund account (sch. 3)	398,776.00	417,253.00	816,029.00
Paid to Civil Service Commission:			
Members' deductions:			
Retirement	960,709.65	994,362.71	1,955,072.36
Reemployed annuitant	9,018.00	3,106.00	12,124.00
Life insurance	76,571.76	79,088.32	155,660.08
Health insurance	109,794.07	119,710.16	229,504.23
Optional life insurance	10,257.92	10,919.89	21,177.81
Deductions for U.S. Savings Bonds	27,375.00	20,606.25	47,981.25
Government contributions:			
Retirement	960,709.65	994,362.71	1,955,072.36
Life insurance	38,285.90	39,544.18	77,830.08
Health insurance	136,587.18	149,545.10	286,132.28
Total	<u>13,993,504.92</u>	<u>14,472,375.71</u>	<u>28,465,880.63</u>
Mileage of Members:			
Paid by check	-	13,377.60	13,377.60
Transferred to deposit fund account (sch. 3)	2,934.20	167,547.32	170,481.52
Total	<u>2,934.20</u>	<u>180,924.92</u>	<u>183,859.12</u>
Total salaries and mileage	13,996,439.12	14,653,300.63	28,649,739.75
Unexpended balance of appropriations deposited into general fund of the Treasury	313,456.76	-	313,456.76
Total disbursements and transfers	<u>14,309,895.88</u>	<u>14,653,300.63</u>	<u>28,963,196.51</u>
ACCOUNTABLE BALANCE AT END OF PERIOD	<u>\$23,076,601.23</u>	<u>\$ 8,423,300.60</u>	<u>\$ 8,423,300.60</u>

SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES
STATEMENT OF FINANCIAL TRANSACTIONS
DEPOSIT FUNDS

FOR 6-MONTH PERIODS ENDED DECEMBER 31, 1979, AND
JUNE 30, 1980, AND FOR THE 12-MONTH PERIOD ENDED JUNE 30, 1980

	<u>6-month period ended</u>		<u>12-month period ended</u>
	<u>December 31,</u>	<u>June 30</u>	<u>June 30,</u>
	<u>1979</u>	<u>1980</u>	<u>1980</u>
ACCOUNTABLE BALANCE AT BEGINNING OF PERIOD	\$ <u>1,084,123.56</u>	\$ <u>986,058.01</u>	\$ <u>1,084,123.56</u>
RECEIPTS:			
Transfer from appropriated funds (sch. 2):			
Salaries of Members	7,104,374.89	7,317,233.12	14,421,608.01
Mileage of Members	2,934.20	167,547.32	170,481.52
State withholding tax deductions	<u>398,776.00</u>	<u>417,253.00</u>	<u>816,029.00</u>
Total	7,506,085.09	7,902,033.44	15,408,118.53
Members' deposits	8,910,986.63	9,577,986.17	18,488,972.80
Sale of traveler's checks	106,829.68	92,755.06	199,584.74
Tellers' overages	<u>306.91</u>	<u>229.68</u>	<u>536.59</u>
Total receipts	<u>16,524,208.31</u>	<u>17,573,004.35</u>	<u>34,097,212.66</u>
Total available for disbursement	<u>17,608,331.87</u>	<u>18,559,062.36</u>	<u>35,181,336.22</u>
DISBURSEMENTS:			
Payments to or for accounts of Members (net of amounts due from Members)	16,116,260.57	16,823,288.80	32,939,549.37
State withholding tax deductions:			
Paid to State tax departments	398,776.00	417,253.00	816,029.00
Remittances to consignors for traveler's checks sold	106,829.68	92,755.06	199,584.74
Tellers' overages (prior years) applied to shortages	<u>407.61</u>	<u>-</u>	<u>407.61</u>
Total disbursements	<u>16,622,273.86</u>	<u>17,333,296.86</u>	<u>33,955,570.72</u>
ACCOUNTABLE BALANCE AT END OF PERIOD	\$ <u><u>986,058.01</u></u>	\$ <u><u>1,225,765.50</u></u>	\$ <u><u>1,225,765.50</u></u>

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