



United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

B-272958

October 15, 1996

The Honorable Benjamin A. Gilman
Chairman, Committee on International
Relations
House of Representatives

Dear Mr. Chairman:

We have performed the procedures contained in enclosure II to this letter, which we agreed to perform solely to assist you in evaluating the extent to which the schedules for the years ended December 31, 1995, and December 31, 1994, as provided to us by you, appropriately reflect the receipt and disbursement activity for 1995 and 1994, and the cash balance at December 31, 1995, and December 31, 1994, for each of the following:

- Mexico-United States Interparliamentary Group,
- Canada-United States Interparliamentary Group,
- United States-European Community Interparliamentary Group,
- United States Group of the North Atlantic Treaty Parliamentary Conference, and
- British-American Interparliamentary Group.

These schedules are included as enclosure I to this letter.

This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. Accordingly, the adequacy of the procedures to meet your objectives is your responsibility and we make no representations in that respect. The procedures we agreed to perform included a variety of tests including recalculations of the schedules of receipts and disbursements and various tests to check the validity of receipt and disbursement transactions and their accurate

Interparliamentary Groups GAO/AIMD-97-1R

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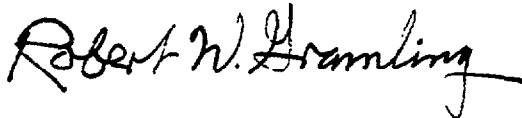
accounting and reporting. Enclosure II contains the agreed-upon procedures and our findings resulting from performing each of the procedures.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the accompanying Schedules of Receipts, Disbursements, and Cash Balance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We provided a draft of this letter, along with its enclosures, to your staff for review and comment. They agree with the contents of this letter and its enclosures.

We conducted our work between April and September 1996. We conducted our work in accordance with generally accepted government auditing standards.

Sincerely yours,



Robert W. Gramling
Director, Corporate Audits
and Standards

Enclosures

**House of Representatives
Mexico-United States Interparliamentary Group
Schedule of Receipts, Disbursements, and Cash Balance**

| | For the Year Ended December 31, | |
|---|--|---------------------------|
| | 1995 | 1994 |
| Receipts: | | |
| Appropriation | \$40,000.00 | \$50,000.00 |
| Reimbursements ¹ | 0.00 | 0.00 |
| Interest | 3,112.76 | 809.02 |
| Other | <u>0.00</u> | <u>(10,000.00)</u> |
| Total receipts | <u>\$43,112.76</u> | <u>\$40,809.02</u> |
| Disbursements: | | |
| Representational functions ² | \$42,036.67 | \$3,333.38 |
| Interpreters | 10,907.13 | 837.04 |
| Travel | 2,783.05 | 2,234.90 |
| Lodging | 7,993.93 | 10,438.69 |
| Other | <u>211.05</u> | <u>597.25</u> |
| Total disbursements | <u>\$63,931.83</u> | <u>\$17,441.26</u> |
| Cash balance | <u>\$71,735.64</u> | <u>\$92,554.71</u> |

¹Reimbursements consist of amounts repaid by congressional members for expenses unrelated to activities of interparliamentary groups that were initially paid out of annual appropriations provided to fund the groups.

²Representational functions include costs associated with holding each of the interparliamentary groups' annual conferences, such as supplies, gift items, ground transportation, and official delegation group meals.

Interparliamentary Groups GAO/AIMD-97-1R

**House of Representatives
Canada-United States Interparliamentary Group
Schedule of Receipts, Disbursements, and Cash Balance**

| | For the Year Ended December 31, 1995 | 1994 |
|---|---|---------------------------|
| Receipts: | | |
| Appropriation | \$35,000.00 | \$25,000.00 |
| Reimbursements ¹ | 17.55 | 0.00 |
| Interest | 1,905.49 | 287.25 |
| Other | <u>0.00</u> | <u>10,000.00</u> |
| Total receipts | <u>\$36,923.04</u> | <u>\$35,287.25</u> |
| Disbursements: | | |
| Representational functions ² | \$0.00 | \$21,297.84 |
| Interpreters | 0.00 | 0.00 |
| Travel | 558.50 | 247.00 |
| Lodging | 3,275.60 | 10,041.01 |
| Other | <u>0.00</u> | <u>0.00</u> |
| Total disbursements | <u>\$3,834.10</u> | <u>\$31,585.85</u> |
| Cash Balance | <u>\$66,404.60</u> | <u>\$33,315.66</u> |

¹Reimbursements consist of amounts repaid by congressional members for expenses unrelated to activities of interparliamentary groups which were initially paid out of annual appropriations provided to fund the groups.

²Representational functions include costs associated with holding each of the interparliamentary groups' annual conferences, such as supplies, gift items, ground transportation, and official delegation group meals.

Interparliamentary Groups GAO/AIMD-97-1R

**House of Representatives
United States-European Community Interparliamentary Group
Schedule of Receipts, Disbursements, and Cash Balance**

| | For the Year Ended December 31, | |
|---|---------------------------------|--------------------|
| | 1995 | 1994 |
| Receipts: | | |
| Appropriation | \$50,000.00 | \$50,000.00 |
| Reimbursements ¹ | 0.00 | 0.00 |
| Interest | 2,901.55 | 472.50 |
| Other | 0.00 | 0.00 |
| Total receipts | \$52,901.55 | \$50,472.50 |
| Disbursements: | | |
| Representational functions ² | \$16,627.79 | \$14,612.07 |
| Interpreters | 4,200.00 | 0.00 |
| Travel | 531.00 | 0.00 |
| Lodging | 1,071.82 | 0.00 |
| Other | 0.00 | 5.20 |
| Total disbursements | \$22,430.61 | \$14,617.27 |
| Cash balance | \$76,304.17 | \$45,833.23 |

¹Reimbursements consist of amounts repaid by congressional members for expenses unrelated to activities of interparliamentary groups which were initially paid out of annual appropriations provided to fund the groups.

²Representational functions include costs associated with holding each of the interparliamentary groups' annual conferences, such as supplies, gift items, ground transportation, and official delegation group meals.

Interparliamentary Groups GAO/AIMD-97-1R

**House of Representatives
United States Group of the North Atlantic Treaty
Parliamentary Conference
Schedule of Receipts, Disbursements, and Cash Balance**

| | For the Year Ended December 31, | |
|---|---------------------------------|--------------------|
| | 1995 | 1994 |
| Receipts: | | |
| Appropriation | \$50,000.00 | \$50,000.00 |
| Reimbursements ¹ | 0.00 | 363.85 |
| Interest | 4,323.21 | 862.40 |
| Other | 0.00 | 0.00 |
| Total receipts | \$54,323.21 | \$51,226.25 |
| Disbursements: | | |
| Representational functions ² | \$24,888.70 | \$12,691.48 |
| Interpreters | 0.00 | 855.96 |
| Travel | 0.00 | 14,205.10 |
| Lodging | 0.00 | 3,114.45 |
| Other | 0.00 | 18.90 |
| Total disbursements | \$24,888.70 | \$30,885.89 |
| Cash balance | \$112,253.87 | \$82,819.36 |

¹Reimbursements consist of amounts repaid by congressional members for expenses unrelated to activities of interparliamentary groups which were initially paid out of annual appropriations provided to fund the groups.

²Representational functions include costs associated with holding each of the interparliamentary groups' annual conferences, such as supplies, gift items, ground transportation, and official delegation group meals.

Interparliamentary Groups GAO/AIMD-97-1R

**House of Representatives
British-American Interparliamentary Group
Schedule of Receipts, Disbursements, and Cash Balance**

| | For the Year Ended December 31, | |
|---|--|---------------------------|
| | 1995 | 1994 |
| Receipts: | | |
| Appropriation | \$25,000.00 | \$25,000.00 |
| Reimbursements ³ | 0.00 | 0.00 |
| Interest | 2,991.54 | 587.97 |
| Other | <u>182.27</u> | <u>(182.27)</u> |
| Total receipts | <u>\$28,173.81</u> | <u>\$25,405.70</u> |
| Disbursements: | | |
| Representational functions ⁴ | \$178.00 | \$5,957.24 |
| Interpreters | 0.00 | 0.00 |
| Travel | 0.00 | 772.90 |
| Lodging | 0.00 | 6,571.85 |
| Other | <u>0.00</u> | <u>.60</u> |
| Total disbursements | <u>\$178.00</u> | <u>\$13,302.59</u> |
| Cash balance | <u>\$96,067.26</u> | <u>\$68,071.45</u> |

³Reimbursements consist of amounts repaid by congressional members for expenses unrelated to activities of interparliamentary groups which were initially paid out of annual appropriations provided to fund the groups.

⁴Representational functions include costs associated with holding each of the interparliamentary groups' annual conferences, such as supplies, gift items, ground transportation, and official delegation group meals.

Interparliamentary Groups GAO/AIMD-97-1R

| <u>Agreed-upon procedures</u> | <u>Description of findings</u> |
|---|--|
| (A) General | |
| (1) Recalculate the totals for receipts and disbursements on the Schedule of Receipts, Disbursements, and Cash Balance for 1994 and 1995. | (1) Totals were correct for receipts and disbursements on the Schedule of Receipts, Disbursements, and Cash Balance for 1994 and 1995 for each interparliamentary group. |
| (2) Compare the totals for each type of receipt and disbursement and the cash balance per the Schedule of Receipts, Disbursements, and the Cash Balance for 1994 and 1995 to the totals and cash balance recorded in the general journal. | (2) The general journals for each interparliamentary group did not contain yearly totals for each type of receipt and disbursement. However, GAO totaled receipt entries in each of the general journals for each type of receipt and compared these totals to the totals per the schedules and amounts were the same. GAO also totaled disbursement entries in each of the general journals for each type of disbursement and compared these totals to the totals per the schedules and amounts were the same. Finally, GAO compared the cash balances recorded in each of the general journals to the cash balances per the schedules and the amounts were the same. |
| (3) Recalculate the totals for each type of receipt and disbursement as recorded in the general journal for 1994 and 1995. | (3) See comment (2) above. |

| <u>Agreed-upon procedures</u> | <u>Description of findings</u> |
|--|---|
| (B) Receipts testing | |
| (1) Compare appropriation receipts as recorded in the general journal to deposit slips and bank statements. | (1) Appropriation receipts as recorded in the general journals matched deposit slips and bank statements for each interparliamentary group. |
| (2) Compare the amounts received to the appropriation requests. | (2) The amounts shown in the appropriation request letters matched the amounts recorded in the general journals and Schedules of Receipts, Disbursements, and Cash Balance for each interparliamentary group. |
| (3) Compare reimbursements recorded in the general journal to documentation evidencing receipt of reimbursements. | (3) Documentation supported reimbursements recorded in the general journals for each interparliamentary group. |
| (4) Trace and agree the amounts shown as interest in the general journal to bank statements. | (4) Amounts shown as interest in the general journals agreed with bank statements for each interparliamentary group. |
| (5) Trace and agree the amount shown as "other" in the general journal to supporting documentation for these receipts. | (5) Supporting documentation agreed with amounts shown as "other" in the general journals for each interparliamentary group. |

| <u>Agreed-upon procedures</u> | <u>Description of findings</u> |
|--|---|
| (C) Disbursements testing | |
| (1) For each disbursement in the general journal for 1994 and 1995, perform the following steps: | |
| (a) Obtain and review voucher and other supporting documentation. Compare amount in voucher to the amount disbursed per the general journal. | (a) Amounts recorded on voucher and supporting documentation agreed with amounts disbursed per the general journals for each interparliamentary group. |
| (b) Determine if the voucher was signed by the designated staff person, certifying that goods or services were received. | (b) One voucher for the North Atlanta Treaty Interparliamentary Conference was not signed by the designated staff person. However, the expenses on the voucher were valid. All other vouchers were properly signed and the expenses were valid. |
| (c) Determine if the voucher was signed by the chairman of the delegation before a check for payment of voucher was drawn. | (c) Vouchers were signed by the chairman of the delegations before checks were drawn. |

| <u>Agreed-upon procedures</u> | <u>Description of findings</u> |
|---|---|
| (d) Determine if the person who signed the check had been designated by the chairman to do so. | (d) The person who signed the checks was designated by the chairman to do so for each of the interparliamentary groups. However, for three checks issued by the Mexico-United States Interparliamentary Group, the person who signed the check and the payee were the same individual. In these three cases, the expenses incurred were valid. |
| (e) Review journal entry to see that the expense was recorded to include date of service, payee, check number, amount, and description of the type of good or service provided. | (e) One journal entry for the Mexico-United States Interparliamentary Group recorded the amount of the expense, but did not contain a description. In addition, one travel expense incurred by the Canada-United States Interparliamentary Group was recorded in the general journal as a lodging expense. All other journal entries for each group contained the necessary information and were properly classified. |
| (f) Review check register to determine if a check was issued and recorded for each voucher payment. | (f) Check was issued and recorded for each voucher payment for each interparliamentary group. |

| <u>Agreed-upon procedures</u> | <u>Description of findings</u> |
|---|--|
| (D) Cash balance | |
| (1) Compare beginning cash balance at January 1, 1994, in the general journal to the December 31, 1993, audited cash balance in GAO's 1993 audit report. | (1) Beginning cash balances at January 1, 1994, in the general journals matched the December 31, 1993, audited cash balances in GAO's 1993 audit report for each interparliamentary group. |
| (2) Recalculate ending cash balances in the general journal based on total receipts and disbursements shown in the general journal. | (2) Ending cash balances in the general journals were correct based on total receipts and disbursements shown in the general journals for each interparliamentary group. |
| (3) Review bank reconciliations for December 31, 1994, and December 31, 1995, including explanations and support for unreconciled items and significant reconciling items. Compare to ending cash balance on Schedule of Receipts, Disbursements, and Cash Balance. | (3) There were no unreconciled differences between bank reconciliations for December 31, 1994, and December 31, 1995, and ending cash balances on Schedules of Receipts, Disbursements, and Cash Balance for each interparliamentary group, and there were no significant reconciling items. |

| <u>Agreed-upon procedures</u> | <u>Description of findings</u> |
|--|---|
| (E) Other procedures | |
| (1) Determine if each interparliamentary group submitted a report on its expenditures to the Congress as required. Compare the amounts shown in the report to the Schedule of Receipts, Disbursements, and Cash Balance. | (1) Each interparliamentary group submitted an expenditure report as required and the amounts matched the Schedules of Receipts, Disbursements, and Cash Balance. |

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