

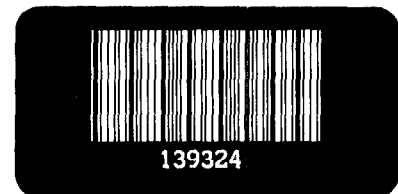
GAO

Report to the Clerk of the House of  
Representatives

August 1989

# FINANCIAL AUDIT

## Statement of Accountability of the House Finance Office for Fiscal Year 1988



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**Comptroller General  
of the United States**

B-114864

August 15, 1989

**The Honorable Donald K. Anderson  
Clerk of the House of Representatives**

Dear Mr. Anderson:

Pursuant to your request of August 9, 1988, we have audited the accompanying Statement of Accountability for Appropriations and Other Funds and the supporting schedules of the Finance Office, House of Representatives, for the year ended September 30, 1988. We completed our audit on April 27, 1989. The statement of accountability and supporting schedules are the responsibility of the Finance Office's management. Our responsibility is to express an opinion on the statement of accountability and supporting schedules based on our audit.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement and schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement and schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement and schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the enclosed Statement of Accountability for Appropriations and Other Funds and the supporting schedules present fairly, in all material respects, the accountability of the Clerk of the House for appropriated and other funds as of September 30, 1988, and the status of individual appropriations and other funds as of that date in conformity with generally accepted accounting principles.

Our report on internal accounting controls and compliance with laws and regulations, together with the Finance Office's statement of accountability, supporting schedules, and accompanying notes for the year ended September 30, 1988, is included in this report.

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We are sending copies of this report to the Chairman, Committee on House Administration. Copies will be sent to others upon request.

Sincerely yours,



Charles A. Bowsher  
Comptroller General  
of the United States



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# Report on Internal Accounting Controls and Compliance With Laws and Regulations

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We have audited the Statement of Accountability for Appropriations and Other Funds and the supporting schedules of the Finance Office, House of Representatives, for the year ended September 30, 1988. Our audit was made in accordance with generally accepted government auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures, including tests of compliance with laws and regulations, as we considered necessary in the circumstances. This report pertains only to our study and evaluation of the system of internal accounting controls and our review of compliance with laws and regulations for the year ended September 30, 1988.

As part of our audit, we made a study and evaluation of the Finance Office's system of internal accounting controls 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 Finance Office's statement and supporting schedules. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting controls taken as a whole or on any of the categories of controls identified below.

For the purpose of this report, we have categorized the significant internal accounting controls as payroll, official mail costs, expenses of special and select committees, expenditures from allowances and expenses appropriations, and receipts. Our study and evaluation included all of these control categories.

The management of the Finance Office is responsible for establishing and maintaining a system of internal accounting controls. In fulfilling this responsibility, management makes estimates and judgments required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that (1) assets are safeguarded against loss from unauthorized use or disposition and (2) transactions are executed in accordance with management's authorization and are recorded properly to permit the preparation of a statement and schedules in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting controls, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate



because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation, made for the limited purpose described in the second paragraph of this report, would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting controls taken as a whole or on any of the categories of controls identified in the third paragraph of this report. However, our study and evaluation disclosed no condition that we believed to be a material weakness that would affect our expressing an opinion on the Finance Office's statement and related schedules.

As part of our audit, we also tested the Finance Office's compliance with terms and provisions of the Legislative Branch Appropriations Acts for fiscal years 1986, 1987, and 1988; Department of the Treasury regulations on cash; Office of Personnel Management regulations on employee benefits and employer costs; Internal Revenue Service regulations on income tax withholdings; and House Finance Office internal policies and procedures for receipts and disbursements. In our opinion, the Finance Office complied with the terms and provisions of the just mentioned laws and regulations for the transactions tested that could have materially affected its statement and related schedules. Nothing came to our attention, in connection with our audit, that caused us to believe that the Finance Office was not in compliance with the terms and provisions of the previously stated laws and regulations for those transactions not tested.

# Statement of Accountability for Appropriations and Other Funds

		Fiscal year ended September 30, 1988	
<b>Unexpended Balance, September 30, 1987</b>		<b>\$141,828,099.72</b>	
<b>Appropriations and Receipts</b>			
Current appropriations		\$603,294,500.00	
Revolving fund and suspense account receipts			
House Stationery Revolving Fund	\$2,900,613.27		
House Recording Studio Revolving Fund	399,795.09		
House Beauty Shop Revolving Fund	286,270.85		
House Barber Shop Revolving Fund	35,427.50		
Attending Physician Revolving Fund	1,561.72		
Page Revolving Fund	299,987.50		
Suspense Account	19,765.29		
State Withholding Taxes—Suspense Account	14,710,213.16	18,653,634.38	
Receipts to be deposited in the general fund of the Treasury		77,195.25	
Gifts to the United States for reduction of the public debt		43,867.28	
Unclaimed money		4,420.89	622,073,617.80
<b>Total Funds Available</b>			<b>763,901,717.52</b>
<b>Expenditures and Transfers</b>			
Disbursements for salaries and other expenses less refunds and cancelled checks		622,665,075.30	
Transfers:			
Receipts deposited in general fund of the Treasury	77,195.25		
Gifts to the United States for reduction of the public debt	43,867.28		
Unclaimed money	4,420.89		
Lapsed appropriations transferred to the general fund of the Treasury	3,966,093.00	4,091,576.42	626,756,651.72
<b>Unexpended Balance, September 30, 1988</b>			<b>\$137,145,065.80</b>

The accompanying notes are an integral part of this statement.

# Schedule of Appropriations and Other Funds

Account	Fiscal year	Funds available				Unexpended balance, September 30, 1988
		Unexpended balance, September 30, 1987	Appropriations or receipts	Funds expended		
				Net disbursements	Transfers	
House leadership offices	1986	\$236,868.48	\$0	\$0	\$236,868.48	\$0
	1987	430,867.06	0	27,053.06	0	403,814.00
	1988	0	3,456,000.00	3,160,718.71	(221,820.00)	517,101.29
Salaries, officers, and employees	1986	1,485,238.02	0	699.75	1,484,538.27	0
	1987	3,347,808.13	0	619,820.64	3,960.72	2,724,026.77
	1988	0	54,529,000.00	52,887,188.94	(129,916.15)	1,771,727.21
Clerk hire, Members, Delegates, and Resident Commissioner	1986	8,355.91	0	0	8,355.91	0
	1987	6,531,533.24	0	(6,302.79)	0	6,537,836.03
	1988	0	174,556,000.00	175,975,979.55	(2,000,000.00)	580,020.45
Committee employees	1986	598,049.10	0	5,534.90	592,514.20	0
	1987	4,489,512.24	0	(3,125.00)	0	4,492,637.24
	1988	0	49,102,000.00	47,170,453.78	0	1,931,546.22
Committee on Appropriations	1986	358,520.01	0	0	358,520.01	0
	1987	1,127,680.66	0	588,439.60	5,218.57	534,022.49
	1988	0	4,300,000.00	3,108,257.82	199,021.24	992,720.94
Committee on the Budget	1986	18,109.67	0	0	18,109.67	0
	1987	10,651.14	0	9,608.99	(16,651.03)	17,693.18
	1988	0	329,000.00	93,715.99	214,267.53	21,016.48
Attending Physician	1986	3,248.37	0	2,245.55	1,002.82	0
	1987	1,026,595.28	0	1,010,911.10	0	15,684.18
	1988	0	1,493,000.00	1,348,333.62	0	144,666.38
Special and select committees	1986	177,555.38	0	55,335.63	122,219.75	0
	1987	7,737,045.06	0	627,470.87	189,081.93	6,920,492.26
	1988	0	52,418,000.00	42,570,356.99	5,039,948.21	4,807,694.80
Preparation of new edition of U.S. Code	no year	80,913.65	0	0	0	80,913.65
Allowances and expenses (See the following schedules.)	1986	3,272,520.47	0	2,326,658.79	945,861.68	0
	1987	52,508,820.78	0	37,392,760.88	(7,029,225.66)	22,145,285.56
	1988	0	174,797,000.00	145,640,552.32	2,189,898.12	26,966,549.56
	no year	6,845,000.00	0	0	6,845,000.00	0
Joint Committee on Taxation	1986	85,785.90	0	0	85,785.90	0
	1987	274,768.64	0	230,966.08	1,448.95	42,353.61
	1988	0	4,219,000.00	3,656,908.49	11,702.16	550,389.35
Capitol Police Board	1986	99,403.96	0	0	99,403.96	0
	no year	13,000,000.00	0	0	0	13,000,000.00
General Expenses—Capitol Police	1986	39,386.86	0	34,511.93	4,874.93	0
	1987	724,481.78	0	562,794.26	934.80	160,752.72
	1988	0	1,734,000.00	1,314,220.80	0	419,779.20
Statement of Appropriations	1986	6,500.00	0	0	6,500.00	0
	1987	10,000.00	0	0	0	10,000.00
	1988	0	9,500.00	0	0	9,500.00
Congressional Award Board	1988	0	189,000.00	171,464.10	0	17,535.90

**Schedule of Appropriations and Other Funds**

Account	Fiscal year	Funds available		Funds expended		Unexpended balance, September 30, 1988
		Unexpended balance, September 30, 1987	Appropriations or receipts	Net disbursements	Transfers	
Official mail costs	1986 & 1987 1987 & 1988	\$33,200,396.29 0	\$0 82,163,000.00	\$3,176,937.00 75,306,500.00	\$0 0	\$30,023,459.29 6,856,500.00
House Stationery Revolving Fund	no year	2,609,728.19	2,900,613.27	8,082,765.06	(5,305,168.15)	2,732,744.55
House Recording Studio Revolving Fund	no year	579,682.92	399,795.09	354,931.57	3,742.34	620,804.10
House Beauty Shop Revolving Fund	no year	23,052.16	286,270.85	273,286.83	93.84	35,942.34
House Barber Shop Revolving Fund	no year	10,415.63	35,427.50	21,573.12	0	24,270.01
Attending Physician Revolving Fund	no year	339.88	1,561.72	279.91	0	1,621.69
Page Revolving Fund	no year	596,111.77	299,987.50	135,316.01	0	760,783.26
Suspense Account	no year	12,821.69	19,765.29	19,737.29	0	12,849.69
House Records and Registration—Suspense Account "B"	no year	143,426.26	0	0	0	143,426.26
Broadcasting of Floor Proceedings—Suspense Account "D"	no year	117,085.72	0	0	0	117,085.72
State Withholding Taxes—Suspense Account	no year	(180.58)	14,710,213.16	14,710,213.16	0	(180.58)
Gifts to the United States for Reduction of the Public Debt	no year	0	43,867.28	0	43,867.28	0
Unclaimed money	no year	0	4,420.89	0	4,420.89	0
General Fund Receipts		0	77,195.25	0	77,195.25	0
<b>Total</b>		<b>\$141,828,099.72</b>	<b>\$622,073,617.80</b>	<b>\$622,665,075.30</b>	<b>\$4,091,576.42</b>	<b>\$137,145,065.80</b>

The accompanying notes are an integral part of this schedule.

# Schedule of Appropriations and Disbursements of the House—Allowances and Expenses, Fiscal Year 1986 Appropriations

	October 1, 1985 to September 30, 1987	Fiscal year ended September 30, 1988	Total
<b>Funds Provided</b>			
Appropriations (note 2)	\$127,689,000.00	\$0	\$127,689,000.00
Transfers to other appropriations	(3,333,400.00)	0	(3,333,400.00)
Net transfers (to) from Stationery Revolving Fund	(4,087,356.10)	1,537.42	(4,085,818.68)
Net transfers from equipment lease	4,376,995.62	15,735.41	4,392,731.03
Net transfers from WATS telephone service	48,316.56	0	48,316.56
<b>Total</b>	<b>124,693,556.08</b>	<b>17,272.83</b>	<b>124,710,828.91</b>
<b>Funds Disbursed</b>			
Supplies, materials, and administrative costs	30,533,608.40	121,431.39	30,655,039.79
Official expenses of Members	53,768,705.27	1,378,672.51	55,147,377.78
Miscellaneous items	749,142.76	0	749,142.76
Government contributions for employee benefits	34,125,126.49	825,996.29	34,951,122.78
Reemployed annuitant reimbursements	879,396.90	0	879,396.90
Stenographic reporting	409,067.21	558.60	409,625.81
Furniture and furnishings	955,988.58	0	955,988.58
<b>Total</b>	<b>\$121,421,035.61</b>	<b>\$2,326,658.79</b>	<b>123,747,694.40</b>
Surplus to U.S. Treasury (note 3)			963,134.51
<b>Unexpended Balance, September 30, 1988</b>			<b>\$0</b>

The accompanying notes are an integral part of this schedule.

# Schedule of Appropriations and Disbursements of the House—Allowances and Expenses, Fiscal Year 1987 Appropriations

	Fiscal Year Ended September 30, 1987	Fiscal Year Ended September 30, 1988	Total
<b>Funds Provided</b>			
Appropriations (note 4)	\$176,879,000.00	\$0	\$176,879,000.00
Net transfers to other appropriations	0	6,845,000.00	6,845,000.00
Net transfers (to) from Stationery Revolving Fund	(4,661,741.12)	308.24	(4,661,432.88)
Net transfers from equipment lease	3,823,985.47	88,385.13	3,912,370.60
Net transfers from WATS telephone service	89,331.23	60,798.10	150,129.33
Net transfer from telephone service	0	34,734.19	34,734.19
<b>Total</b>	<b>176,130,575.58</b>	<b>7,029,225.66</b>	<b>183,159,801.24</b>
<b>Funds Disbursed</b>			
Supplies, materials, and administrative costs	26,709,379.34	26,194,583.88	52,903,963.22
Official expenses of Members	40,335,297.21	10,323,055.95	50,658,353.16
Miscellaneous items	417,616.22	65,307.32	482,923.54
Government contributions for employee benefits	53,105,469.36	295,187.17	53,400,656.53
Reemployed annuitant reimbursements	1,248,126.79	0	1,248,126.79
Stenographic reporting	595,918.95	51,685.74	647,604.69
Furniture and furnishings	1,209,946.93	462,940.82	1,672,887.75
<b>Total</b>	<b>\$123,621,754.80</b>	<b>\$37,392,760.88</b>	<b>161,014,515.68</b>
<b>Unexpended Balance, September 30, 1988</b>			<b>\$22,145,285.56</b>

The accompanying notes are an integral part of this schedule.

# Schedule of Appropriations and Disbursements of the House—Allowances and Expenses, Fiscal Year 1988 Appropriations

	<b>Fiscal year ended September 30, 1988</b>
<b>Funds Provided</b>	
Appropriations (note 5)	\$174,797,000.00
Net transfers to Stationery Revolving Fund	(4,949,384.05)
Net transfers from equipment lease	4,823,686.15
Net transfers from telephone service	318,139.78
Net transfers to other appropriations	(2,382,340.00)
<b>Total</b>	<b>172,607,101.88</b>
<b>Funds Disbursed</b>	
Supplies, materials, and administrative costs	27,565,739.42
Official expenses of Members	47,397,286.59
Miscellaneous items	432,558.55
Government contributions for employee benefits	67,452,734.07
Reemployed annuitant reimbursements	1,237,828.18
Stenographic reporting	627,860.31
Furniture and furnishings	926,545.20
<b>Total</b>	<b>145,640,552.32</b>
<b>Unexpended Balance, September 30, 1988</b>	<b>\$26,966,549.56</b>

The accompanying notes are an integral part of this schedule.

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# Notes to Statement and Schedules

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## Note 1. Significant Accounting Policies

The Clerk, as principal fiscal officer of the House of Representatives, collects receipts and disburses funds appropriated for all expenses of the House, except for payments made by the Sergeant at Arms for salaries and mileage to and from each session of the Congress, for Members, delegates, and the resident commissioner and for payments to widows, widowers, or heirs of deceased Members. The House Finance Office maintains the accounting records and makes the necessary financial transactions for the Clerk. The Statement of Accountability for Appropriations and Other Funds presents a summary of the financial transactions administered by the Clerk.

Appropriated fund and revolving fund accounts are maintained on a cash basis.

Receipts are deposited twice weekly through accounts with the U.S. Treasury.

Unexpended balances of appropriations are withdrawn at the end of the second fiscal year, following the year for which the funds were appropriated. In accordance with 2 U.S.C. 102a, unpaid obligations chargeable to appropriations so withdrawn are paid from any appropriations for the same general purpose which are available for disbursement.

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## Note 2. Funding of Allowances and Expenses for Fiscal Year 1986

Total appropriations of \$127,689,000 consist of \$133,426,000 appropriated under Public Law 99-103 less \$5,737,000 sequestered under Public Law 99-177.

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## Note 3. Lapsed Appropriations

This amount is included in the \$3,966,093 transferred to the general fund of the Treasury by a Treasury surplus warrant with an accounting date of September 30, 1988.

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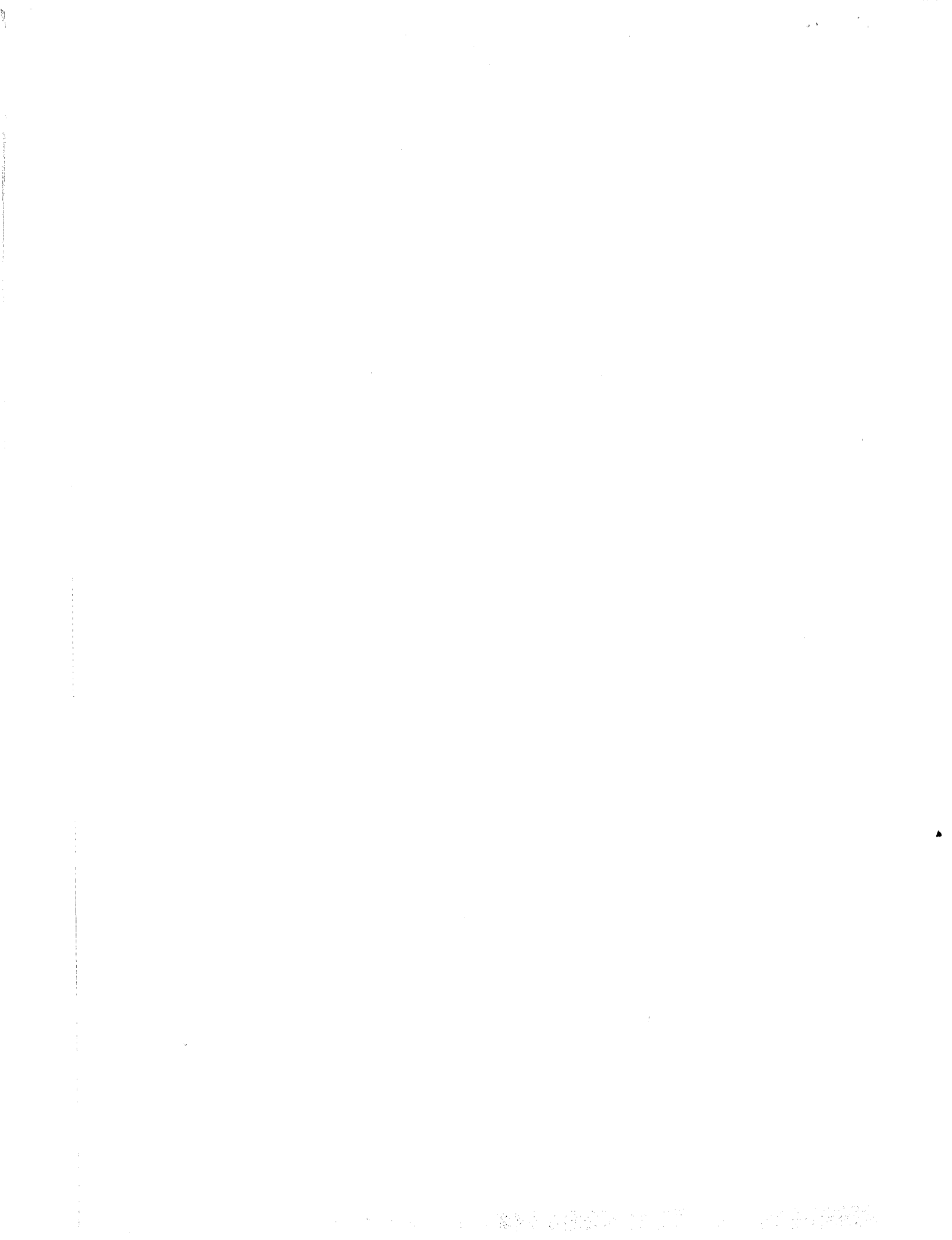
## Note 4. Funding of Allowances and Expenses for Fiscal Year 1987

Total appropriations of \$176,879,000 consist of \$137,928,000 appropriated under Public Law 99-591 and \$38,951,000 appropriated under Public Law 100-71.



**Note 5. Funding of  
Allowances and Expenses  
for Fiscal Year 1988**

This amount was appropriated under Public Law 100-202.



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