

March 1989

FINANCIAL AUDIT

House Interparliamentary Groups' Financial Statements for 1987



**Accounting and Financial
Management Division**

B-231290

March 27, 1989

The Honorable Dante B. Fascell
Chairman, Committee on Foreign Affairs
House of Representatives

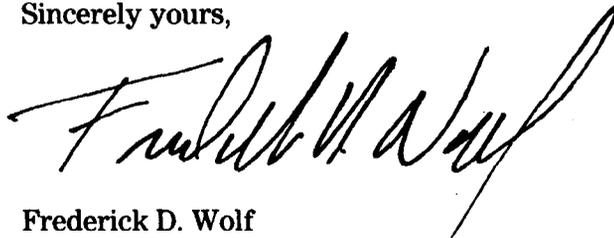
Dear Mr. Chairman:

As requested by your office, we have examined the accompanying balance sheets of the House of Representatives Mexico-United States Interparliamentary Group, Canada-United States Interparliamentary Group, United States-European Community Interparliamentary Group, and the United States Group of the North Atlantic Treaty Parliamentary Conference, which your Committee administers, as of December 31, 1987, and the related statements of cash receipts, expenditures, and fund balances for the year then ended. Our examinations were 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. We completed our audit work on December 30, 1988.

In our opinion, the financial statements referred to above present fairly the financial position of the four interparliamentary groups as of December 31, 1987, and the results of their operations for the year then ended in conformity with generally accepted accounting principles and the accounting policies described in note 2 to the financial statements applied on a consistent basis.

This report contains our report on internal accounting controls and compliance with laws and regulations. It also includes the four interparliamentary groups' financial statements and accompanying notes for the year ended December 31, 1987.

Sincerely yours,



Frederick D. Wolf
Assistant Comptroller General

Contents

Opinion Letter	1
Report on Internal Accounting Controls and Compliance With Laws and Regulations	4
House of Representatives Mexico-United States Interparliamentary Group	6
Balance Sheet	6
Statement of Cash Receipts, Expenditures, and Fund Balance	7
House of Representatives Canada-United States Interparliamentary Group	8
Balance Sheet	8
Statement of Cash Receipts, Expenditures, and Fund Balance	9
House of Representatives United States-European Community Interparliamentary Group	10
Balance Sheet	10
Statement of Cash Receipts, Expenditures, and Fund Balance	11

House of Representatives United States Group of the North Atlantic Treaty Parliamentary Conference	12
Balance Sheet	12
Statement of Cash Receipts, Expenditures, and Fund Balance	13
Notes to Statements	14

Report on Internal Accounting Controls and Compliance With Laws and Regulations

We have examined the financial statements of four House of Representatives interparliamentary groups for the year ended December 31, 1987. Our examinations were 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 preliminary review of the system of internal accounting controls and our review of compliance with laws and regulations.

We did not complete a study and evaluation of the four interparliamentary groups' internal accounting control systems for the purpose of determining the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the four interparliamentary groups' financial statements. Based on our preliminary review, we concluded that it was more efficient to expand our substantive audit tests in examining the financial statements for the year ended December 31, 1987.

While we did not perform a complete study and evaluation of the four interparliamentary groups' internal accounting control systems, we did not become aware of any condition during our expanded substantive audit tests which we believe to be a material weakness.

As part of our examination, we also tested the four interparliamentary groups' compliance with applicable laws and regulations. In our opinion, the House of Representatives interparliamentary groups complied with the terms and provisions of laws and regulations for the transactions tested that could have materially affected their financial statements.

House of Representatives Mexico-United States Interparliamentary Group

Balance Sheet**December 31, 1987**

Assets	
Cash	\$16,155.09
Accounts Receivable	62.83
Total Assets	\$16,217.92
Liabilities and Fund Balance	
Accounts Payable	\$1,717.43
Total Liabilities	1,717.43
Fund Balance	14,500.49
Total Liabilities and Fund Balance	\$16,217.92

The accompanying notes are an integral part of this statement.

House of Representatives Mexico-United
States Interparliamentary Group

Statement of Cash Receipts, Expenditures, and Fund Balance

	Year ended December 31, 1987
Receipts	
Funds received from the Department of State (note 3)	\$8,500.00
Funds received from the Senate (note 4)	90.00
Miscellaneous	62.83
Total receipts	8,652.83
Expenditures	
Conference planning expense	6,039.61
Official conference expense	20,911.91
Total expenditures	26,951.52
Excess of expenditures over receipts	(18,298.69)
Fund balance, beginning of year	32,799.18
Fund Balance, End of Year	\$14,500.49

The accompanying notes are an integral part of this statement.

House of Representatives Canada-United States Interparliamentary Group

Balance Sheet**December 31, 1987****Assets**

Cash \$16,344.58

Total Assets \$16,344.58**Liabilities and Fund Balance**

Total Liabilities \$0

Fund Balance 16,344.58

Total Liabilities and Fund Balance \$16,344.58

The accompanying notes are an integral part of this statement.

House of Representatives Canada-United
States Interparliamentary Group

Statement of Cash Receipts, Expenditures, and Fund Balance

	Year ended December 31, 1987
Receipts	
Funds received from the Department of State (note 3)	\$8,500.00
Total receipts	8,500.00
Expenditures	
Conference planning expense	4,011.71
Official conference expense	10,311.43
Total expenditures	14,323.14
Excess of expenditures over receipts	(5,823.14)
Fund balance, beginning of year	22,167.72
Fund Balance, End of Year	\$16,344.58

The accompanying notes are an integral part of this statement.

House of Representatives United States- European Community Interparliamentary Group

Balance Sheet**December 31, 1987****Assets**

Cash \$19,667.70

Total Assets**\$19,667.70****Liabilities and Fund Balance**

Total Liabilities \$0

Fund Balance

19,667.70

Total Liabilities and Fund Balance**\$19,667.70**

The accompanying notes are an integral part of this statement.

House of Representatives United States-
European Community
Interparliamentary Group

Statement of Cash Receipts, Expenditures, and Fund Balance

**Year ended
December 31, 1987**

Receipts

Funds received from the Department of State (note 3) \$50,400.00

Total receipts 50,400.00

Expenditures

Conference planning expense 976.09

Official conference expense 29,711.58

Miscellaneous 44.63

Total expenditures 30,732.30

Excess of receipts over expenditures 19,667.70

Fund Balance, Beginning of year 0

Fund Balance, End of Year \$19,667.70

The accompanying notes are an integral part of this statement.

House of Representatives United States Group of the North Atlantic Treaty Parliamentary Conference

Balance Sheet

December 31, 1987

Assets

Cash \$3,052.61

Total Assets

\$3,052.61

Liabilities and Fund Balance

Accounts Payable \$1,594.49

Total Liabilities

1,594.49

Fund Balance

1,458.12

Total Liabilities and Fund Balance

\$3,052.61

The accompanying notes are an integral part of this statement.

House of Representatives United States
Group of the North Atlantic Treaty
Parliamentary Conference

Statement of Cash Receipts, Expenditures, and Fund Balance

	Year ended December 31, 1987
Receipts	
Funds received from the Department of State (note 3)	\$25,000.00
Total receipts	25,000.00
Expenditures	
Official conference expense	15,046.54
U.S.-hosted meeting expense	5,494.01
Miscellaneous	122.67
Total expenditures	20,663.22
Excess of receipts over expenditures	4,336.78
Fund Balance, Beginning of year (note 5)	(2,878.66)
Fund Balance, End of Year	\$1,458.12

The accompanying notes are an integral part of this statement.

Notes to Statements

Note 1. Authorizing Legislation

Legislation authorizing United States interparliamentary groups provides for Members of Congress to meet annually with other representative parliamentary groups to discuss common problems in the interest of relations between the United States and Mexico, and between the United States and Canada; and with other NATO members in the interest of maintaining peace and security in the North Atlantic area.

The Mexico-United States Interparliamentary Group was authorized by Public Law 86-420 (April 9, 1960); the Canada-United States Interparliamentary Group was authorized by Public Law 86-42 (June 11, 1959); the United States-European Community Interparliamentary Group was authorized by Public Law 98-164 (November 22, 1983); and the United States Group of the North Atlantic Treaty Parliamentary Conference was authorized by Public Law 84-689 (July 11, 1956). In the House of Representatives, these four groups are administered by the Committee on Foreign Affairs.

Note 2. Significant Accounting Policies

Designated staff of the Committee on Foreign Affairs perform the financial accounting for the four interparliamentary groups administered by the Committee. Each group's designated treasurer is responsible for preparing vouchers, certifying that goods and services have been received, maintaining the general journal, and compiling the consolidated financial report to the Committee on House Administration. Accounting records are maintained on a cash basis.

The statement of cash receipts and expenditures does not include expenditures paid from other sources. According to 1987 reports made to the Committee on House Administration, the Mexico-United States Interparliamentary Group had expenditures of \$13,905.82 from other sources; the Canada-United States Interparliamentary Group had expenditures from other sources amounting to \$31,495.68; the United States-European Community Interparliamentary Group reported it spent \$22,759.82 from other sources; and the United States Group of the North Atlantic Treaty Parliamentary Conference reported expenditures of \$292,375.71 from other sources.

Expenditures paid from other sources were primarily from Department of Defense funds for military transport of delegates and staff to conferences and meetings. However, \$2,845.77 (included above) from funds made available under the Mutual Security Act (22 U.S.C. 1754) was used to pay for commercial transportation in support of the United States Group of the North Atlantic Treaty Parliamentary Conference.

**Note 3. Funds Received
From the Department of
State**

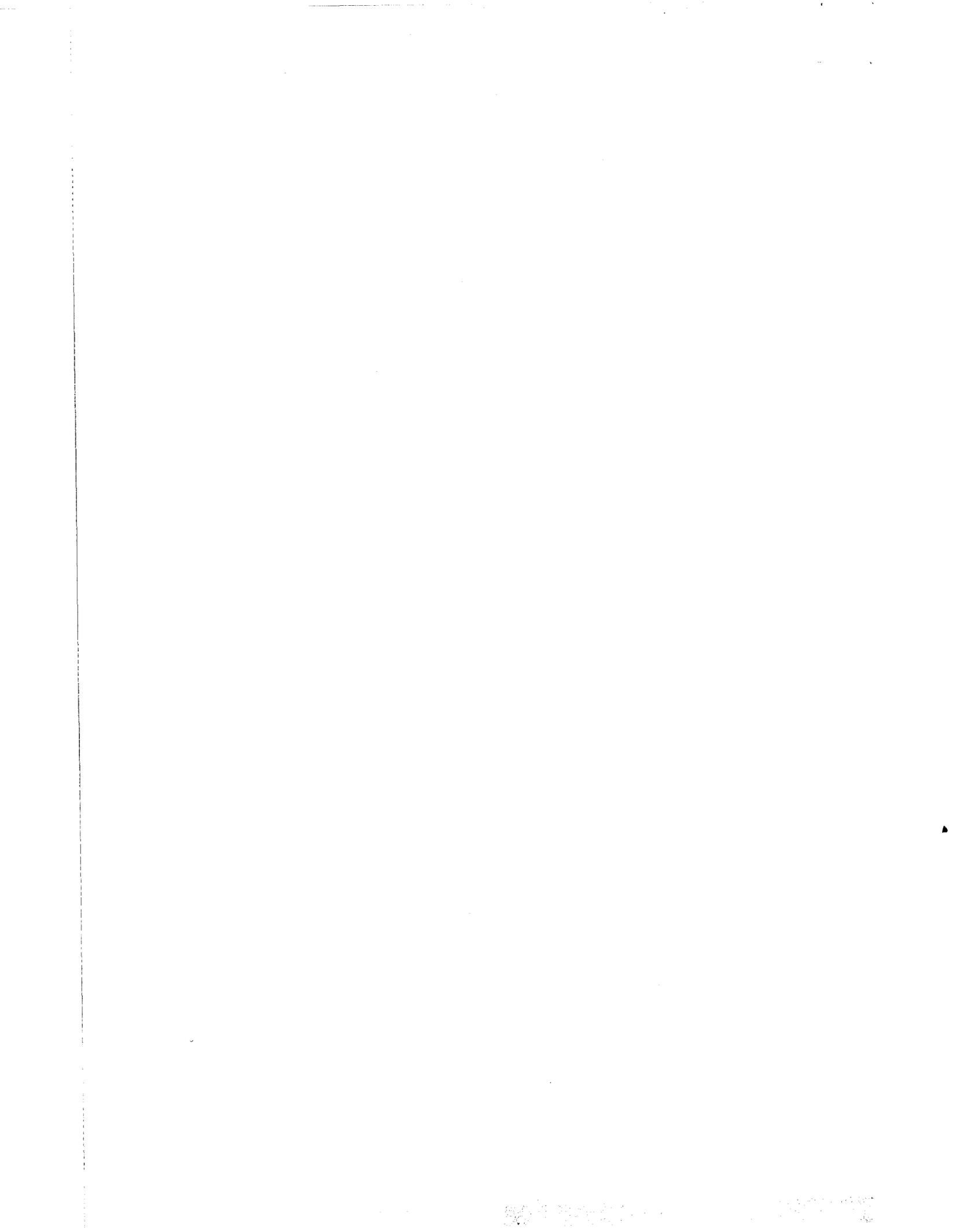
As a result of Public Law 99-591 (October 30, 1986), funds were appropriated to the Department of State for expenses necessary to meet the annual obligations of membership in international multilateral organizations, pursuant to treaties, conventions, or specific acts of Congress. From these funds, the Mexico-United States and Canada-United States interparliamentary groups each received \$8,500 for calendar year 1987. The United States-European Community Interparliamentary Group received \$50,400. The United States Group of the North Atlantic Treaty Parliamentary Conference received \$25,000.

**Note 4. Funds Received
From the Senate**

Funds were transferred from the Senate's Mexico-United States Interparliamentary Group for expenditures incurred and chargeable to them, but paid by the House group.

**Note 5. Overdrawn
Balance**

The United States Group of the North Atlantic Treaty Parliamentary Conference bank account was overdrawn as of December 31, 1986, and remained so until funds were received from the Department of State and deposited on January 16, 1987.



Requests for copies of GAO reports should be sent to:

**U.S. General Accounting Office
Post Office Box 6015
Gaithersburg, Maryland 20877**

Telephone 202-275-6241

The first five copies of each report are free. Additional copies are \$2.00 each.

There is a 25% discount on orders for 100 or more copies mailed to a single address.

Orders must be prepaid by cash or by check or money order made out to the Superintendent of Documents.

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

**Official Business
Penalty for Private Use \$300**

**First-Class Mail
Postage & Fees Paid
GAO
Permit No. G100**
