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RELEASED

Activities Of The
Office Equipment Service
For Fiscal Year 1972

B-114865

House of Representatives

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

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DEC. 29. 1972



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

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Dear Mr. Jennings: SMS 3

Pursuant to your request dated June 6, 1972, the General Accounting Office has reviewed the activities of the Office Equipment Service (OES) of the House of Representatives for the fiscal year ended June 30, 1972. 13

The act of December 5, 1969 (2 U.S.C. 112e), effective January 1, 1970, directs the Clerk of the House to furnish electrical and mechanical office equipment to the Resident Commissioner from Puerto Rico and to Members, officers, and committees of the House of Representatives, in accordance with the limitations and regulations prescribed by the Committee on House Administration. The regulations provide that the depreciated value of electrical and mechanical office equipment furnished and charged to the account of each member and to the Commissioner from Puerto Rico shall not exceed \$5,500.

Public Law 91-405, approved September 22, 1970, extended these provisions to the Delegate to the House of Representatives from the District of Columbia.

On June 1, 1971, the Committee on House Administration prescribed regulations authorizing an office equipment leasing allowance of \$350 a month for each Member, the Resident Commissioner, and the D.C. Delegate. This allowance is for leasing automatic typewriters, photocopying equipment, facsimile units, and signature machines. The Committee has directed the Clerk to lease the equipment for the use of officers of the House of Representatives.

The Clerk's responsibilities for furnishing electrical and mechanical office equipment are carried out by OES accounting, messenger, and typewriter repair service units.

The accounting unit consists of a chief, an assistant chief, and four clerks and is responsible for leasing, purchasing, and disposing of electrical and mechanical office equipment and for maintaining accounting control over owned and leased equipment.

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The messenger unit consists of a supervisor and three messenger-laborers and is responsible for picking up, delivering, and transferring electrical and mechanical office equipment.

The typewriter repair service unit consists of a repairman-supervisor, a clerk, and nine repairmen and is responsible for repairing automatic, electric, and manual typewriters.

We reviewed the controls over owned and leased equipment, examined selected purchases and disposals of equipment, and tested the repair parts inventory.

OWNED OFFICE EQUIPMENT

OES maintains a computerized system of accounts which shows for each type of equipment (1) the inventory at the beginning of the year, the acquisitions and disposals during the year, and the inventory at the end of the year and (2) the units furnished to, and accountable for by, each Member or officer. These accounts showed that as of June 30, 1972, the inventory of office equipment consisted of 9,427 items with an acquisition cost of about \$5.5 million and a depreciated value of about \$2.9 million. (See schedule.)

Our review showed that the records provided adequate control over owned equipment. Also, our examination of selected purchase and disposal transactions showed that they were properly documented.

LEASED EQUIPMENT

OES maintains manual records of leased equipment consisting of (1) a control card for each item of leased equipment and (2) a Member's account card. The control card shows the Member's or officer's name, the lease order number, the lessor's name, a description of the leased item, the rental rate and period, the rental paid, and the check number.

The Member's account card shows the balance of the Member's or officer's leasing allowance, and the items of equipment

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leased for the Member or officer, the rental rate, and the beginning and ending dates of the lease period.

A summary of the control cards showed that as of June 30, 1972, OES had a monthly obligation of \$101,597 for the rental of 1,216 items of leased equipment. Funds are obligated when a leasing order is approved by the Clerk. At June 30, 1972, the Resident Commissioner from Puerto Rico, the D.C. Delegate, 417 Members, and nine officers were leasing equipment.

In our opinion, the records provide adequate control over leased equipment.

REPAIR PARTS INVENTORY

Our test of the repair parts inventory showed that, although the accuracy of the computer-produced Parts Inventory Master Listing had been improved since our prior review, it still contained some inaccuracies. OES officials agreed that partial inventories should be taken on a rotating basis and that needed adjustments should be made to the listing.

OES OPERATING COSTS

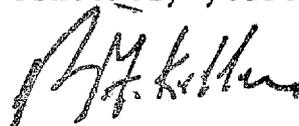
The estimated OES operating costs for fiscal year 1972, exclusive of the cost of forms obtained from the Government Printing Office and of data processing services, utilities, office furniture, and building space, are as follows.

Salaries	\$ 221,110
Employee benefits	23,000
Leasing costs	748,160
Depreciation of equipment	502,690
Depreciated value of surplus equipment transferred to the General Services Administration	106,197
Repair parts	19,540
Vendor repairs	28,470
Office supplies	<u>1,210</u>
Total	<u>\$1,650,377</u>

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A copy of this report is being sent to the Chairman of
the Committee on House Administration.

Sincerely yours,



Deputy Comptroller General
of the United States

The Honorable W. Pat Jennings
Clerk of the House of Representatives

OFFICE EQUIPMENT SERVICE

HOUSE OF REPRESENTATIVES

SUMMARY OF EQUIPMENT ACCOUNTS

JULY 1, 1971, TO JUNE 30, 1972

<u>Type</u>	<u>Inventory</u> <u>July 1, 1971</u>		<u>Acquisitions</u>	
	<u>Units</u>	<u>Cost</u>	<u>Units</u>	<u>Cost</u>
Addressing equipment	526	\$ 230,961	26	\$ 27,321
Automatic typewriters	601	1,458,785	25	113,415
Typewriters	5,358	2,106,899	363	173,496
Dictating equipment	1,246	438,547	171	58,343
Duplicating equipment	974	471,994	80	85,149
Adding machines and calculators	266	115,832	47	17,253
Miscellaneous (note a)	<u>211</u>	<u>450,651</u>	<u>63</u>	<u>84,934</u>
Total	<u>9,182</u>	<u>\$5,273,669</u>	<u>775</u>	<u>\$559,911</u>

^a Includes automatic letter openers and sealers, automatic letter folders and inserters, typing machines, delivery trucks, computer equipment, and other miscellaneous equipment.

SCHEDULE

<u>Disposals</u>		<u>Inventory, June 30, 1972</u>			
<u>Units</u>	<u>Cost</u>	<u>Units</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Book value</u>
40	\$ 15,483	512	\$ 242,799	\$ 144,708	\$ 98,091
74	132,733	552	1,439,467	627,863	811,604
209	79,754	5,512	2,200,641	1,139,055	1,061,586
101	36,746	1,316	460,144	201,312	258,832
96	46,118	958	511,025	221,971	289,054
4	1,507	309	131,578	69,951	61,627
<u>6</u>	<u>5,458</u>	<u>268</u>	<u>530,127</u>	<u>195,832</u>	<u>334,295</u>
<u>530</u>	<u>\$317,799</u>	<u>9,427</u>	<u>\$5,515,781</u>	<u>\$2,600,692</u>	<u>\$2,915,089</u>