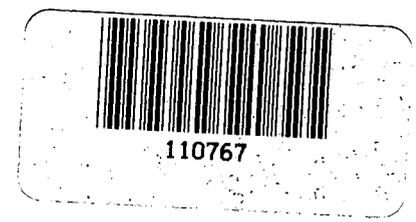


MAN 110767

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, 1979**

House Of Representatives





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

GHS 1

We have audited the financial transactions of the
Sergeant at Arms, House of Representatives, for the 12 months
ended June 30, 1979, pursuant to the act of July 26, 1949
(2 U.S.C. 81a).

GENERAL COMMENTS

Skipped

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."

GHS 2

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 pre-
senting 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.

Audit reports
Congressional privileges
Financial records
Appropriated funds
Congressional salaries
Bank examinations

ASSETS AND LIABILITIES

The funds for which the Sergeant at Arms was accountable at December 31, 1978, and June 30, 1979, are summarized in the statement of assets and liabilities. (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 \$39,500.60 at December 31, 1978, and \$139,948.14 at June 30, 1979, 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, 1979, the largest volume of checks cashed during a month occurred in January when checks amounting to \$2,377,950.46 were cashed, and the largest volume during 1 day occurred on January 2, 1979, when checks totaling \$431,709.70 were cashed.

The check-cashing transactions for the 12 months ended June 30, 1979, are summarized below.

	<u>6 months ended</u>	
	<u>December 31,</u> <u>1978</u>	<u>June 30,</u> <u>1979</u>
Checks on hand at beginning of period	\$ 195,846.13	\$ 39,500.60
Checks cashed	<u>11,674,998.12</u>	<u>12,361,619.50</u>
	11,870,844.25	12,401,120.10
Checks exchanged for cash	<u>11,831,343.65</u>	<u>12,261,171.96</u>
Checks on hand at end of period	<u>\$ 39,500.60</u>	<u>\$ 139,948.14</u>

Of the checks cashed during the year, \$66,181.27, or about 0.28 percent were returned for reasons such as insufficient funds. Although the total amount of checks cashed decreased, the value of the returned checks was about 14.3 percent greater than the \$57,905.56 of checks returned during the previous year.

The Sergeant at Arms said he maintains control over each returned check until it is liquidated; all such items are monitored daily and only minor losses have occurred under this strict control.

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 checks are held because of insufficient funds in a Member's account.

The Sergeant at Arms told us that all such items are also monitored daily, and no losses have occurred under this strict control.

Tellers' shortages and overages

Teller shortages and overages are recorded each day and the net shortage, if any, is reimbursed at September 30 each year from the Contingent Fund of the House, as authorized by Public Law 84-624, dated May 8, 1956. ✓

Total shortages charged from September 30, 1978, to June 30, 1979 amounted to \$560.46--\$420.46 to cover tellers' shortages and \$140 to cover uncollectible exchange items.

These shortages were offset in part by tellers' overages of \$327.55 credited to the short and over account, resulting in a net shortage of \$232.91 at June 30, 1979.

SCOPE OF AUDIT

Our audit consisted of examinations of the financial transactions of the Sergeant at Arms for the 6 months ended December 31, 1978, and June 30, 1979, 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 and Liabilities 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, 1978, and June 30, 1979, 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.) F/C


Comptroller General
of the United States

SERGEANT AT ARMSHOUSE OF REPRESENTATIVESSTATEMENT OF ASSETS, LIABILITIES, ANDGOVERNMENT EQUITYDECEMBER 31, 1978, AND JUNE 30, 1979

<u>A S S E T S</u>	December 31, <u>1978</u>	June 30, <u>1979</u>
APPROPRIATED FUNDS:		
Funds with U.S. Treasury	\$23,356,341.85	\$ 9,486,497.11
DEPOSIT FUNDS:		
Funds with U.S. Treasury	723,399.35	735,830.90
Cash on hand	142,413.82	169,633.55
Exchange items on hand	39,500.60	139,948.14
Accounts receivable:		
Due from Members	73,913.21	38,150.51
Tellers' shortages	259.56	420.46
Uncollectible exchange items	-	140.00
	<u>979,486.54</u>	<u>1,084,123.56</u>
Total assets	<u>\$24,335,828.39</u>	<u>\$10,570,620.67</u>
 <u>L I A B I L I T I E S A N D</u> <u>G O V E R N M E N T E Q U I T Y</u> 		
APPROPRIATED FUNDS:		
Liabilities:		
Accrued salaries	\$ 2,260,047.92	\$ 2,292,637.92
Government equity:		
Unobligated budget authority	<u>21,096,293.93</u>	<u>7,193,859.19</u>
	<u>23,356,341.85</u>	<u>9,486,497.11</u>
DEPOSIT FUNDS:		
Liabilities:		
Accounts payable:		
Members' deposits	979,321.51	1,083,796.01
Tellers' overages	<u>165.03</u>	<u>327.55</u>
	<u>979,486.54</u>	<u>1,084,123.56</u>
Total liabilities and Government equity	<u>\$24,335,828.39</u>	<u>\$10,570,620.67</u>

SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES
STATEMENT OF FINANCIAL TRANSACTIONS
APPROPRIATED FUNDS
FOR 6-MONTH PERIODS ENDED DECEMBER 31, 1978, AND
JUNE 30, 1979, AND FOR THE 12-MONTH PERIOD ENDED JUNE 30, 1979

	<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>1978</u>	<u>1979</u>	<u>1979</u>
ACCOUNTABLE BALANCE AT BEGINNING OF PERIOD	\$ 9,410,455.88	\$23,356,341.85	\$ 9,410,455.88
APPROPRIATIONS:			
Salaries	27,699,300.00	-	27,699,300.00
Mileage	210,000.00	-	210,000.00
Gratuities	115,000.00	-	115,000.00
Total appropriations	<u>28,024,300.00</u>	<u>-</u>	<u>28,024,300.00</u>
Total funds available	<u>37,434,755.88</u>	<u>23,356,341.85</u>	<u>37,434,755.88</u>
DISBURSEMENTS AND TRANSFERS:			
Salaries and Government contributions:			
Paid to Members:			
By check	688,525.20	713,843.08	1,402,368.28
Transferred to deposit fund account (sch. 3)	6,876,771.73	6,922,120.24	13,798,891.97
Federal withholding tax deductions paid to Internal Revenue Service	3,436,491.41	3,376,858.83	6,813,350.24
State withholding tax deductions transferred to deposit fund account (sch. 3)	363,293.90	383,750.00	747,043.90
Paid to Civil Service Commission:			
Members' deductions:			
Retirement	966,426.68	944,146.01	1,910,572.69
Reemployed annuitant	8,193.00	8,553.00	16,746.00
Life insurance	92,557.41	77,206.35	169,763.76
Health insurance	111,138.61	108,624.64	219,763.25
Optional life insurance	12,004.53	10,445.03	22,449.56
Deductions for U.S. Savings Bonds	13,593.75	23,250.00	36,843.75
Government contributions:			
Retirement	966,426.68	944,146.01	1,910,572.69
Life insurance	46,278.72	38,603.20	84,881.92
Health insurance	131,054.14	134,061.65	265,115.79
Total	<u>13,712,755.76</u>	<u>13,685,608.04</u>	<u>27,398,363.80</u>
Mileage of Members:			
Paid by check	-	12,233.40	12,233.40
Transferred to deposit fund account (sch. 3)	607.90	172,003.30	172,611.20
Total	<u>607.90</u>	<u>184,236.70</u>	<u>184,844.60</u>
Total salaries and mileage	13,713,363.66	13,869,844.74	27,583,208.40
Gratuities to widows, widowers, and heirs of deceased Members	115,000.00	-	115,000.00
Unexpended balance of appropriations deposited into general fund of the Treasury	250,050.37	-	250,050.37
Total disbursements and transfers	<u>14,078,414.03</u>	<u>13,869,844.74</u>	<u>27,948,258.77</u>
ACCOUNTABLE BALANCE AT END OF PERIOD	<u>\$23,356,341.85</u>	<u>\$ 9,486,497.11</u>	<u>\$ 9,486,497.11</u>

SERGEANT AT ARMSHOUSE OF REPRESENTATIVESSTATEMENT OF FINANCIAL TRANSACTIONSDEPOSIT FUNDSFOR 6-MONTH PERIODS ENDED DECEMBER 31, 1978, ANDJUNE 30, 1979, AND FOR THE 12-MONTH PERIOD ENDED JUNE 30, 1979

	<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>1978</u>	<u>1979</u>	<u>1979</u>
ACCOUNTABLE BALANCE AT BEGINNING OF PERIOD	\$ <u>1,340,471.32</u>	\$ <u>979,486.54</u>	\$ <u>1,340,471.32</u>
RECEIPTS:			
Transfer from appropriated funds (sch. 2):			
Salaries of Members	6,876,771.73	6,922,120.24	13,798,891.97
Mileage of Members	607.90	172,003.30	172,611.20
State withholding tax deductions	<u>363,293.90</u>	<u>383,750.00</u>	<u>747,043.90</u>
Total	<u>7,240,673.53</u>	<u>7,477,873.54</u>	<u>14,718,547.07</u>
Members' deposits	6,408,542.16	7,709,724.84	14,118,267.00
Sale of traveler's checks	120,218.59	119,607.04	239,825.63
Tellers' overages	<u>544.84</u>	<u>162.52</u>	<u>707.36</u>
Total receipts	<u>13,769,979.12</u>	<u>15,307,367.94</u>	<u>29,077,347.06</u>
Total available for disbursement	<u>15,110,450.44</u>	<u>16,286,862.48</u>	<u>30,417,818.38</u>
DISBURSEMENTS:			
Payments to or for accounts of Members (net of amounts due from Members)	13,646,767.88	14,699,373.88	28,346,141.76
State withholding tax deductions:			
Paid to State tax depart- ments	363,293.90	383,750.00	747,043.90
Remittances to consignors for traveler's checks sold	120,218.59	119,607.04	239,825.63
Tellers' overages (prior years) applied to shortages	<u>683.53</u>	<u>-</u>	<u>683.53</u>
Total disbursements	<u>14,130,963.90</u>	<u>15,202,730.92</u>	<u>29,333,694.82</u>
ACCOUNTABLE BALANCE AT END OF PERIOD	\$ <u>979,486.54</u>	\$ <u>1,084,123.56</u>	\$ <u>1,084,123.56</u>

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