

DOCUMENT RESUME

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Audit of Financial Transactions of the Sergeant at Arms for the 12 Months Ended June 30, 1978. GGD-79-1; B-114854. October 18, 1978. 4 pp. + 3 enclosures (3 pp.).

Report to the House of Representatives: Speaker of the the House ; the House of Representatives: Sergeant at Arms; by Elmer B. Staats, Comptroller General.

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The Sergeant at Arms, as fiscal officer of the House of Representatives, disburses funds appropriated for compensation of Members, mileage of Members, and gratuities to widows, widowers, or heirs of deceased Members. He also maintains an operation referred to as the "House Bank."

Findings/Conclusions: Assets and liabilities for which the Sergeant at Arms was accountable at December 31, 1977, and June 30, 1978, totaled \$24,450,063.16 and \$10,750,927.20, respectively. Exchange items on hand amounting to \$37,215.04 at December 31, 1977, and \$195,846.13 at June 30, 1978, represented 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 total amount of checks cashed by the Sergeant at Arms during the 12 months ended June 30, 1978, was \$11,530.35 less than the amount cashed in fiscal year 1977, a decrease of 0.04%. During this period, banks returned to the Sergeant at Arms checks totaling \$57,905.56. The Sergeant at Arms said he maintains control over each returned check until it is liquidated, and no losses have occurred under this control. Amounts due from Members represented checks drawn on and cashed or paid by the Sergeant at Arms but not charged to Members' accounts. Such items are monitored daily, and no losses have occurred. Teller shortages were offset in part by overages, resulting in a net shortage of \$306.73 at June 30, 1978. The financial statements presented fairly the financial position and accountability of the Sergeant at Arms and the financial transactions for periods examined. (HTW)

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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, 1978

House Of Representatives



GGD-79-1

OCTOBER 18, 1978



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

We have audited the financial transactions of the Sergeant at Arms, House of Representatives, for the 12 months ended June 30, 1978, pursuant to the act of July 26, 1949 (2 U.S.C. 81a).

GENERAL COMMENTS

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."

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 either are paid by check or, if they request, are 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 presenting 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.

ASSETS AND LIABILITIES

The funds for which the Sergeant at Arms was accountable at December 31, 1977, and June 30, 1978, 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 \$37,215.04 at December 31, 1977, and \$195,846.13 at June 30, 1978, 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, 1978, the largest volume of checks cashed during a month occurred in June when checks amounting to \$2,659,900.23 were cashed, and the largest volume during 1 day occurred on November 30, 1977, when checks totaling \$332,776.94 were cashed.

The check-cashing transactions for the 12 months ended June 30, 1978, are summarized below.

	<u>6 months ended</u>	
	<u>December 31,</u> <u>1977</u>	<u>June 30,</u> <u>1978</u>
Checks on hand at beginning of period	\$ 255,562.16	\$ 37,215.04
Checks cashed	<u>12,053,598.94</u>	<u>12,809,178.92</u>
	12,309,161.10	12,846,393.96
Checks exchanged for cash	<u>12,271,946.06</u>	<u>12,650,547.83</u>
Checks on hand at end of period	<u>\$ 37,215.04</u>	<u>\$ 195,846.13</u>

The total amount of checks cashed by the Sergeant at Arms during the 12 months ended June 30, 1978, was \$11,530.35 less than the amount cashed in fiscal year 1977, a decrease of

0.04 percent. During the 12 months ended June 30, 1978, banks returned to the Sergeant at Arms, for such reasons as insufficient funds, checks totaling \$57,905.56, 0.23 percent of the total amount of checks cashed.

The Sergeant at Arms said he maintains control over each returned check until it is liquidated. All such items are monitored daily, and no 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 in the short and over account 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, 1977, to June 30, 1978, amounted to \$610.45--\$380.45 to cover tellers' shortages and \$230 to cover a Member's check which was paid, due to a bookkeeper's error, over the Member's stop payment request.

These shortages were offset in part by tellers' overages of \$303.72, credited to the short and over account, resulting in a net shortage of \$306.73 at June 30, 1978.

SCOPE OF AUDIT

Our audit consisted of examinations of the financial transactions of the Sergeant at Arms for the 6 months ended December 31, 1977, and June 30, 1978, 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, 1977, and June 30, 1978, 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.


Comptroller General
of the United States

SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 1977, AND JUNE 30, 1978

<u>A S S E T S</u>	December 31, <u>1977</u>	June 30, <u>1978</u>
APPROPRIATED FUNDS:		
Funds with U.S. Treasury	\$ <u>23,375,207.47</u>	\$ <u>9,410,455.88</u>
DEPOSIT FUNDS:		
Funds with U.S. Treasury	834,312.21	943,734.14
Cash on hand	161,255.91	179,674.30
Exchange items on hand	37,215.04	195,846.13
Accounts receivable:		
Due from Members	41,930.33	20,606.30
Tellers' shortages	142.20	380.45
Bookkeeper's error	-	230.00
	<u>1,074,855.69</u>	<u>1,340,471.32</u>
Total assets	\$ <u>24,450,063.16</u>	\$ <u>10,750,927.20</u>
 <u>L I A B I L I T I E S</u>		
APPROPRIATED FUNDS:		
Accrued liabilities	\$ 2,297,942.87	\$ 2,296,190.73
Unobligated balances	<u>21,077,264.60</u>	<u>7,114,265.15</u>
	<u>23,375,207.47</u>	<u>9,410,455.88</u>
DEPOSIT FUNDS:		
Accounts payable:		
Members' deposits	1,074,796.52	1,340,167.60
Tellers' overages	<u>59.17</u>	<u>303.72</u>
	<u>1,074,855.69</u>	<u>1,340,471.32</u>
Total liabilities	\$ <u>24,450,063.16</u>	\$ <u>10,750,927.20</u>

SCHEDULE 2

SCHEDULE 2

SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES
STATEMENT OF FINANCIAL TRANSACTIONS
APPROPRIATED FUNDS

FOR 6-MONTH PERIODS ENDED DECEMBER 31, 1977, AND
JUNE 30, 1978, AND FOR THE 12-MONTH PERIOD ENDED JUNE 30, 1978

	6-month period ended		12-month period ended
	December 31, 1977	June 30, 1978	June 30, 1978
ACCOUNTABLE BALANCE AT BEGINNING OF PERIOD	\$ 5,792,344.44	\$ 23,375,207.47	\$ 5,792,344.44
APPROPRIATIONS:			
Salaries	31,360,400.00	-	31,360,400.00
Mileage	210,000.00	-	210,000.00
Total appropriations	31,570,400.00	-	31,570,400.00
Total funds available	37,702,744.44	23,375,207.47	37,362,744.44
DISBURSEMENTS AND TRANSFERS:			
Salaries and Government contributions:			
Paid to Members:			
By check	661,875.64	668,008.12	1,329,884.16
Transferred to deposit fund account (sch.3)	6,934,171.22	6,918,193.61	13,852,364.83
Federal withholding tax deductions paid to Internal Revenue Service	3,470,955.17	3,464,057.46	6,935,012.63
State withholding tax deductions transferred to deposit fund account (sch. 3)	359,034.35	362,246.26	721,280.61
Paid to Civil Service Commission:			
Members' deductions:			
Retirement	970,800.20	971,725.47	1,942,525.67
Reemployed annuitant	7,650.00	7,905.00	15,555.00
Life insurance	109,259.52	108,475.14	217,734.66
Health insurance	97,224.47	109,484.31	206,708.78
Optional life insurance	12,694.00	13,650.55	26,344.55
Government contributions:			
Retirement	970,800.20	971,725.47	1,942,525.67
Life insurance	54,629.76	54,237.57	108,867.33
Health insurance	121,202.05	130,218.75	251,420.80
Total	13,770,296.58	13,779,928.11	27,550,224.69
Mileage of Members:			
Paid by check	-	13,816.28	13,816.28
Transferred to deposit fund account (sch. 3)	1,023.70	171,011.20	172,030.90
Total	1,023.70	184,827.48	185,847.18
Total salaries and mileage	13,771,320.28	13,964,751.59	27,736,071.87
Unexpended balance of appropriations deposited into general fund of the Treasury	216,216.69	-	216,216.69
Total disbursements and transfers	13,987,536.97	13,964,751.59	27,952,288.56
ACCOUNTABLE BALANCE AT END OF PERIOD	\$ 23,375,207.47	\$ 9,410,455.88	\$ 9,410,455.88

SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES
STATEMENT OF FINANCIAL TRANSACTIONS
DEPOSIT FUNDS

FOR 6-MONTH PERIODS ENDED DECEMBER 31, 1977, AND
JUNE 30, 1978, AND FOR THE 12-MONTH PERIOD ENDED JUNE 30, 1978

	<u>6-month period ended</u>		<u>12-month period ended</u>
	December 31, 1977	June 30, 1978	June 30, 1978
ACCOUNTABLE BALANCE AT BEGINNING OF PERIOD	\$ 1,287,147.97	\$ 1,074,855.69	\$ 1,287,147.97
RECEIPTS:			
Transfer from appropriated funds (sch. 2):			
Salaries of Members	6,934,171.22	6,918,193.61	13,852,364.83
Mileage of Members	1,023.70	171,007.20	172,030.90
State withholding tax deductions	<u>359,034.35</u>	<u>362,246.26</u>	<u>721,280.61</u>
Total	<u>7,294,229.27</u>	<u>7,451,447.07</u>	<u>14,745,676.34</u>
Members' deposits	6,294,350.91	6,946,450.50	13,240,801.41
Sale of traveler's checks	131,673.96	74,349.39	206,023.35
Tellers' overages	<u>120.57</u>	<u>244.55</u>	<u>365.12</u>
Total receipts	<u>13,720,374.71</u>	<u>14,472,491.51</u>	<u>28,192,866.22</u>
Total available for disbursement	<u>15,007,522.68</u>	<u>15,547,347.20</u>	<u>29,480,014.19</u>
DISBURSEMENTS:			
Payments to or for accounts of Members (net of amounts due from Members)	13,441,769.18	13,770,280.23	27,212,049.41
State withholding tax deductions:			
Paid to State tax departments	359,034.35	362,246.26	721,280.61
Remittances to consignors for traveler's checks sold	131,673.96	74,349.39	206,023.35
Tellers' overages (prior years) applied to shortages	<u>189.50</u>	<u>-</u>	<u>189.50</u>
Total disbursements	<u>13,932,666.99</u>	<u>14,206,875.88</u>	<u>28,139,542.87</u>
ACCOUNTABLE BALANCE AT END OF PERIOD	<u>\$ 1,074,855.69</u>	<u>\$ 1,340,471.32</u>	<u>\$ 1,340,471.32</u>