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United States General Accounting Office  
Washington, DC 20548

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August 14, 2001

The Honorable Henry J. Hyde  
Chairman  
Committee on International Relations  
House of Representatives

Subject: Applying Agreed-Upon Procedures: House Interparliamentary Groups

Dear Mr. Chairman:

We have performed the procedures you requested to assist the Committee in evaluating the extent to which five House Interparliamentary Groups' Schedules of Receipts, Disbursements, and Fund Balance for the years ended December 31, 2000 and 1999, appropriately reflect the cash receipts and disbursements and fund balance for the years then ended. The schedules, prepared by the treasurer of each group, present for the years ended December 31, 2000 and 1999, the opening fund balance, total receipts and disbursements by category, and ending fund balance, on a cash basis, for each of the following groups:

- British-American Parliamentary Group,
- Canada-United States Interparliamentary Group,
- Mexico-United States Interparliamentary Group,
- Transatlantic Legislators' Dialogue (formerly the United States-European Community Interparliamentary Group), and
- The United States Group of the NATO Parliamentary Assembly (formerly the United States Group of the North Atlantic Assembly).

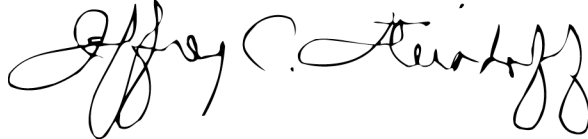
In summary, the procedures you asked us to perform included reviewing documentation supporting each group's recorded receipt and disbursement transactions and related fund balance for evidence that the transactions were properly authorized and recorded. We also recalculated the reported amounts using each group's general journal and supporting documents and compared the recalculated amounts to the reported amounts in each group's 2000 and 1999 schedule. The individual agreed-upon procedures along with our results are presented in enclosure I. The unaudited 2000 and 1999 schedules for each of the five Interparliamentary Groups are presented in enclosure II.

By specifying the procedures, your office was responsible for ensuring that the procedures were sufficient to meet your objectives, and we make no representations in that respect. In performing the agreed-upon procedures, we conducted our work in accordance with U.S. generally accepted government auditing standards, which

incorporate applicable standards for attestation engagements established by the American Institute of Certified Public Accountants. These attestation standards provide guidance for performing and reporting the results of agreed-upon procedures. In agreeing to perform the procedures you requested, we discussed this guidance and the related limitations on the nature, scope, and intended use of our work with your Committee staff. Since we were not asked to, and did not perform, an examination, the objective of which would be to express an opinion, we do not express an opinion on the schedules. We began our work on June 25, 2001, and completed our work on July 13, 2001.

We provided a draft of this letter, along with its enclosures, to your staff for review and comment. Your staff agreed with the contents of this letter and the enclosures. This letter is intended for the use of the House Committee on International Relations and is not intended to be, and should not be, used by those who have not agreed to the procedures or taken responsibility for their sufficiency. However, this letter is a matter of public record and its distribution is not limited. We are sending copies of this letter to the Chairmen of the individual House Interparliamentary Groups and the Ranking Minority Member of the House Committee on International Relations. This letter will also be available on GAO's home page at <http://www.gao.gov>. If you have any questions concerning our work or the results of the agreed-upon procedures, please contact me on (202) 512-2600 or Jeanette Franzel, Acting Director, on (202) 512-9406.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Jeffrey C. Steinhoff". The signature is fluid and cursive, with a large initial "J" and a long, sweeping tail.

Jeffrey C. Steinhoff  
Managing Director  
Financial Management and Assurance

Enclosures

**Agreed-Upon Procedures and Related Results**

Receipts Procedures

1. Compare the amount of the appropriation recorded in the general journal as received for calendar years 2000 and 1999 to evidence of the amount of the appropriation requested and related deposits shown on the bank statements.
2. Compare the interest recorded in the general journal as received for calendar years 2000 and 1999 to the interest credited on each group's 2000 and 1999 bank statements.
3. Compare the other receipts recorded in the general journal as received for calendar years 2000 and 1999 to deposit slips, bank statements, and/or other documentation evidencing other receipts.

Results

For each group, the annual appropriation, interest, and other receipts recorded in the general journal agreed with and were supported by appropriate documentation.

Disbursements Procedures

For each disbursement for calendar years 2000 and 1999, record the category of the disbursement on the GAO-prepared schedule, and

1. compare the voucher amount to the amount disbursed per the general journal;
2. compare the payee on the voucher to the supporting documents;
3. examine each voucher and supporting documents for evidence that the designated official certified (signed) that the goods and/or services were received and the voucher was approved (signed) by the authorizing official before it was submitted for payment;
4. examine each canceled check to determine that the check was signed by the designated official and endorsed by the payee;
5. examine the disbursement entry in the general journal to determine whether the journal entry included the date of the check, the payee, the check number, the amount, and the description of the type or category of goods or services provided; and
6. examine the check register and subsequent bank statements to determine if a check was recorded, issued, and paid for each payment voucher.

## Enclosure I

### Results

For each voucher,

1. The amount agreed with the amount recorded as disbursed in the general journal.
2. The payee named agreed with the supporting documents.
3. The designated official certified (signed) that the goods and/or services were received and the authorizing official approved (signed) each voucher before it was submitted for payment.
4. In examining each canceled check to determine that the check was signed by the designated official and endorsed by the payee, we found one check on which the payee did not match the endorsee on the check. A check disbursed for the Mexico-United States Group in 2000 was endorsed by someone other than the payee on the voucher and check. We inquired at the payee's office and were told that the endorsee was authorized to sign for the payee.
5. In examining the disbursement entry in the general journal to determine whether the journal entry included the date of the check, the payee, the check number, the amount, and the description of the type or category of goods or services provided, we found that each group's journal entries contained the required information with three exceptions.
  - One transaction in 2000 for Transatlantic Legislators' Dialogue was entered into the general journal using the date the voucher was prepared instead of using the date on the check.
  - One general journal entry in 2000 for Transatlantic Legislators' Dialogue did not contain the description of the transaction. The related supporting documents did provide a description of the type of payment.
  - For 2000 and 1999, the NATO Parliamentary Assembly Group treasurer did not enter the date when recording every disbursement. According to the group's treasurer, she only dated the first disbursement recorded for a day and all other transactions recorded on the same date were left undated.
6. Finally, we found that a check was recorded, issued, and paid for every payment voucher generated by each group in 2000 and 1999.

### Overall Procedures

1. Using the amounts recorded in the general journal for 2000 and 1999, recalculate the total receipts for each year by category (appropriations, interest, and other) and total disbursements for the year by category (representational functions, interpreters/translation, travel, lodging/per diem, transfers to U.S. Treasury, and miscellaneous). Trace the recalculated amounts to the amounts in the 2000 and 1999 Schedules of Receipts, Disbursements, and Fund Balance.

## Enclosure I

2. Trace the opening fund balances recorded in the general journals for 2000 and 1999 to the ending balances recorded in the prior year's journals. Trace both opening and ending fund balances for 2000 and 1999 in the general journals to the bank statements and the Schedules of Receipts, Disbursements, and Fund Balance for 2000 and 1999. Recalculate each group's ending balance for 2000 and 1999 by adding all receipts posted to its journal to the opening balances recorded in the journal for 2000 and 1999, and subtracting all disbursements and other charges recorded in the journal for 2000 and 1999.
3. Review the reconciliation for each group's 2000 and 1999 year-end bank statements and related reconciling items. Review subsequent bank statements for evidence that the reconciling items were posted as provided for in the reconciliation.
4. With respect to each procedure, obtain an explanation for any differences between amounts recorded in the general journal, the bank statements, and the Schedules of Receipts, Disbursements, and Fund Balance.

## Results

1. The recalculated amounts of total receipts and disbursements by category as recorded in the general journal agreed with the amounts in the 2000 and 1999 Schedule of Receipts, Disbursements, and Fund Balance for all groups. We traced the recalculated amounts to the 2000 and 1999 Schedule of Receipts, Disbursements, and Fund Balance for each group.
2. The opening fund balances for 2000 and 1999, as recorded in each group's general journal, agreed with the ending balances from the prior year's workpapers for four out of the five groups. The treasurer for the British-American Group did not carry forward the ending balance from the prior year in the general journal to the opening balance for 2000 and 1999. However, we confirmed that the numerical accounting of disbursements and receipts were correctly calculated, as if the opening balance had been stated.
3. The opening and ending fund balances for 2000 and 1999 in each group's general journal and related bank statements agreed with the opening and ending fund balances in each group's Schedule of Receipts, Disbursements, and Fund Balance for 2000 and 1999 except as noted above.
  - The recalculated ending balances agreed with the ending balances, as reported for all groups, in their 2000 and 1999 Schedules of Receipts, Disbursements, and Fund Balance.
  - For each group, the subsequent month's bank statements evidenced that all outstanding items identified during the year-end bank reconciliation were later posted to the account.

Enclosure I

4. We obtained a satisfactory explanation for any identified differences in amounts recorded in the general journals, the bank statements, and the Schedules of Receipts, Disbursements, and Fund Balance.

**Schedules for the Interparliamentary Groups (Unaudited)**

British-American Interparliamentary Group

House of Representatives British-American Parliamentary Group Schedule of Receipts, Disbursements, and Fund Balance <sup>1</sup> (Unaudited)		
	<u>For the year ended December 31,</u>	
	<u>2000</u>	<u>1999</u>
Beginning fund balance <sup>2</sup>	\$158,179.36	\$133,980.28
Receipts:		
Appropriation	\$ 25,000.00	\$25,000.00
Interest	1,722.16	1,506.08
<b>Total receipts</b>	<b>\$26,722.16</b>	<b>\$26,506.08</b>
Disbursements:		
Travel	0.00	\$2,307.00
Transfers to U.S. Treasury <sup>3</sup>	3,849.18	0.00
<b>Total disbursements</b>	<b>\$3,849.18</b>	<b>\$2,307.00</b>
<b>Ending fund balance <sup>4</sup></b>	<b><u><u>\$181,052.34</u></u></b>	<b><u><u>\$158,179.36</u></u></b>

<sup>1</sup> The Schedule of Receipts, Disbursements, and Fund Balance is prepared on a cash basis.

<sup>2</sup> Beginning Fund Balance represents the balance at January 1, 1999 and 2000 of interparliamentary group funds carried over from the prior period.

<sup>3</sup> Transfers represent disbursements by the Group to the U.S. Treasury pursuant to Section 502(b) of Title V of Public Law 103-236 (108 Stat. 462). Under this provision, interest earned from funds provided to the Group pursuant to Section 303 of Title III of Public Law 100-202 (101 Stat. 1329-23; 22 U.S.C. 276 note) and deposited in interest-bearing accounts shall be periodically deposited in a miscellaneous account of the Treasury.

<sup>4</sup> Ending Fund Balance represents the fund balance remaining at December 31, 1999 and 2000 and available for use in a subsequent period.

Enclosure II

Canada-United States Interparliamentary Group

House of Representatives Canada-United States Interparliamentary Group Schedule of Receipts, Disbursements, and Fund Balance <sup>1</sup> (Unaudited)		
	<u>For the year ended December 31,</u>	
	<u>2000</u>	<u>1999</u>
Beginning fund balance <sup>2</sup>	\$48,955.81	\$71,503.98
Receipts:		
Appropriation	\$35,000.00	\$35,000.00
Interest	293.39	751.93
Other <sup>3</sup>	2,156.00	0.00
<b>Total receipts</b>	<b>\$37,449.39</b>	<b>\$35,751.93</b>
Disbursements:		
Representational functions <sup>4</sup>	\$37,151.00	\$45,341.23
Travel	0.00	2,568.46
Lodging/per diem	9,900.00	10,390.41
Transfers to U.S. Treasury <sup>5</sup>	2,490.66	0.00
Miscellaneous	575.91	0.00
<b>Total disbursements</b>	<b>\$50,117.57</b>	<b>\$58,300.10</b>
<b>Ending fund balance <sup>6</sup></b>	<b><u>\$36,287.63</u></b>	<b><u>\$48,955.81</u></b>

<sup>1</sup> The Schedule of Receipts, Disbursements, and Fund Balance is prepared on a cash basis.

<sup>2</sup> Beginning Fund Balance represents the balance at January 1, 2000 and 1999 of interparliamentary group funds carried over from the prior period.

<sup>3</sup> Other receipts consist of amounts repaid by congressional members/staff for expenses related to activities of interparliamentary groups which were initially paid out of annual appropriations provided to fund the group: including reimbursement from Representatives Upton, Gilman, English, Houghton and Payne for official expenses incurred in 1999 and 2000.

<sup>4</sup> Representational functions include the costs associated with holding the interparliamentary groups' annual conferences. These costs include expenses for supplies, gift items, ground transportation, official delegation group meals, and meeting room costs.

<sup>5</sup> Transfers represent disbursements by the Group to the U.S. Treasury pursuant to Section 502(b) of Title V of Public Law 103-236 (108 Stat. 462). Under this provision, interest earned from funds provided to the Group pursuant to Section 303 of Title III of Public Law 100-202 (101 Stat. 1329-23; 22 U.S.C. 276 note) and deposited in interest-bearing accounts shall be periodically deposited in a miscellaneous account of the Treasury.

<sup>6</sup> Ending fund balance represents the fund balance remaining at December 31, 2000 and 1999 and available for use in a subsequent period.



Mexico-United States Interparliamentary Group

<b>House of Representatives</b> <b>Mexico-United States Interparliamentary Group</b> <b>Schedule of Receipts, Disbursements, and Fund Balance <sup>1</sup></b> <b>(Unaudited)</b>		
	<b>For the year ended December 31,</b>	
	<b>2000</b>	<b>1999</b>
Beginning fund balance <sup>2</sup>	\$107,966.33	\$132,548.62
Receipts:		
Appropriation	\$40,000.00	\$40,000.00
Interest	1,184.68	1,259.67
Other <sup>3</sup>	16,492.29	123.00
<b>Total receipts</b>	<b>\$57,676.97</b>	<b>\$41,382.67</b>
Disbursements:		
Representational functions <sup>4</sup>	\$20,149.56	\$57,049.03
Interpreters/translation	6,594.09	1,079.88
Travel	4,687.62	998.00
Lodging/per diem	6,964.27	6,204.84
Transfers to U.S. Treasury <sup>5</sup>	3,609.62	0.00
Miscellaneous	586.09	633.21
<b>Total disbursements</b>	<b>\$42,591.25</b>	<b>\$65,964.96</b>
<b>Ending fund balance <sup>6</sup></b>	<b><u>\$123,052.05</u></b>	<b><u>\$107,966.33</u></b>

<sup>1</sup> The Schedule of Receipts, Disbursements, and Fund Balance is prepared on a cash basis.

<sup>2</sup> Beginning Fund Balance represents the balance at January 1, 1999 and 2000 of interparliamentary group funds carried over from the prior period.

<sup>3</sup> Other receipts consist of unused funds repaid by congressional staff for advance travel expenses; reimbursement from the Department of State for official per diem expenses incurred by three Members not part of the official Speaker appointed delegation; and also reimbursement from the Senate for shared expenses paid by the House.

<sup>4</sup> Representational functions include the costs associated with holding the interparliamentary groups' annual conferences. These costs include expenses for supplies, gift items, ground transportation, official delegation group meals, and meeting room costs.

<sup>5</sup> Transfers represent disbursements by the Group to the U.S. Treasury pursuant to Section 502(b) of Title V of Public Law 103-236 (108 Stat. 462). Under this provision, interest earned from funds provided to the Group pursuant to Section 303 of Title III of Public Law 100-202 (101 Stat. 1329-23; 22 U.S.C. 276 note) and deposited in interest-bearing accounts shall be periodically deposited in a miscellaneous account of the Treasury.

<sup>6</sup> Ending fund balance represents the fund balance remaining at December 31, 1999 and 2000, and available for use in a subsequent period.

Transatlantic Legislators' Dialogue

<b>House of Representatives                      Transatlantic Legislators' Dialogue                      (Formerly the U.S. - European Community Interparliamentary Group)                      Schedule of Receipts, Disbursements, and Fund Balance <sup>1</sup></b>		
	<b>For the year ended December 31,</b>	
	<b>2000</b>	<b>1999</b>
Beginning fund balance <sup>2</sup>	\$130,944.60	\$82,719.10
Receipts:		
Appropriation	\$50,000.00	\$50,000.00
Interest	1,501.52	1,082.85
<b>Total receipts</b>	<b>\$51,501.52</b>	<b>\$51,082.85</b>
Disbursements:		
Representational functions <sup>3</sup>	\$20,196.49	\$2,319.35
Interpreters/translation	2,920.00	0.00
Travel	0.00	460.00
Lodging/per diem	0.00	0.00
Miscellaneous <sup>4</sup>	3,475.67	78.00
<b>Total disbursements</b>	<b>\$26,592.16</b>	<b>\$2,857.35</b>
<b>Ending fund balance <sup>5</sup></b>	<b><u>\$155,853.96</u></b>	<b><u>\$130,944.60</u></b>

<sup>1</sup> The schedule of Receipts, Disbursements, and Fund Balance is prepared on a cash basis.

<sup>2</sup> Beginning Fund Balance represents the balance at January 1, 1999 and January 1, 2000 of the Transatlantic Legislators' Dialogue funds carried over from the prior period.

<sup>3</sup> Representational Functions include the costs associated with holding the annual conferences. These costs include expenses for supplies, gift items, ground transportation, official delegation group meals, and control room costs.

<sup>4</sup> Transfers represent disbursements by the Dialogue to the U.S. Treasury pursuant to Section 502(b) of Title V of Public Law 103-236 (108 Stat. 462). Under this provision, interest earned from funds provided to the Dialogue pursuant to Section 303 of Title III of Public Law 100-202 (101 Stat. 1329-23; 22 U.S.C. 276 note) and deposited in interest-bearing accounts shall be periodically deposited in a miscellaneous account of the Treasury. Figure for 2000 includes interest payback to U.S. Government for the period January 1998-December 1999.

<sup>5</sup> Ending fund balance represents the fund balance remaining on December 31, 1999 and December 31, 2000 and available for use in subsequent periods.

United States Group of the NATO Parliamentary Assembly

<b>House of Representatives</b> <b>United States Group of the NATO Parliamentary Assembly</b> <b>Schedule of Receipts, Disbursements and Fund Balance <sup>1</sup></b> <b>(Unaudited)</b>		
	<u>For the year ended December 31,</u>	
	<b>2000</b>	<b>1999</b>
Beginning fund balance <sup>2</sup>	\$150,272.78	\$166,696.00
Receipts:		
Appropriation	\$50,000.00	\$50,000.00
Interest	1,613.80	1,538.41
Other <sup>3</sup>	0.00	2,948.28
<b>Total receipts</b>	<b>\$51,613.80</b>	<b>\$54,486.69</b>
Disbursements:		
Representational Functions <sup>4</sup>	\$19,939.83	\$18,698.45
Interpreters/Translation	0.00	0.00
Travel	9,172.94	47,387.71
Lodging/per diem	1,959.39	800.00
Repayment of Earned Interest	4,679.90	0.00
Miscellaneous	2,202.93	4,023.75
<b>Total disbursements</b>	<b>\$37,954.99</b>	<b>\$70,909.91</b>
<b>Ending fund balance <sup>5</sup></b>	<b><u>\$163,931.59</u></b>	<b><u>\$150,272.78</u></b>

<sup>1</sup> The Schedule of Receipts, Disbursements and Fund Balance is prepared on a cash basis.

<sup>2</sup> Beginning Fund Balance represents the balance at January 1, 2000 and 1999 of interparliamentary group funds carried over from the prior period.

<sup>3</sup> Other receipts represent the refund to the fund of unused plane fare for congressional members who were to have attended a conference held in November, 1998.

<sup>4</sup> Representational Functions include the costs associated with holding each of the interparliamentary groups' annual conferences, such as supplies, gift items, ground transportation, official delegation group meals, and control rooms.

<sup>5</sup> Ending fund balance represents the final balance remaining at December 31, 2000 and 1999 and available for use in a subsequent period.