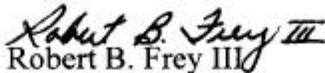


Office of Inspector General
U.S. House of Representatives
Washington, DC 20515-9990

MEMORANDUM

TO: Jeff Trandahl
Clerk of the House

FROM: 
Robert B. Frey III
Deputy Inspector General

DATE: May 25, 1999

SUBJECT: Audit Report - Page Residence Revolving Fund Not Always Used As Intended
(Report No. 99-CLK-03)

This is our final report on usage of the Page Revolving Fund. The objective of this audit was to review the sources and uses of the Fund and determine whether funds have been used as intended. In this report, we identified that certain authorized expenses were not paid from the revolving fund, while its use was expanded for expenditures which were not specifically authorized and made eight specific recommendations for corrective actions.

In response to our December 22, 1998 draft report, your office concurred with our findings and recommendations. The March 24, 1999 management response is incorporated in this final report and included in its entirety as an appendix. The corrective actions taken on seven of these recommendations are responsive to the issues raised. Based on the actions completed, we consider these recommendations closed. The actions currently planned for the remaining recommendation are responsive to the issue identified and, when fully implemented, should satisfy the intent of this recommendation. However, we ask that you provide us with a target completion date for this recommendation by June 30, 1999.

We appreciate the courtesy and cooperation extended to us by your staff. If you have any questions or require additional information regarding this report, please call me or Kenneth Eichelman at (202) 226-1250.

cc: Speaker of the House
Majority Leader of the House
Minority Leader of the House
Chairman, Committee on House Administration
Ranking Minority Member, Committee on House Administration
Members, Committee on House Administration

PAGE RESIDENCE REVOLVING FUND NOT ALWAYS USED AS INTENDED

*Report No. 99-CLK-03
May 25, 1999*

RESULTS IN BRIEF

CONCLUSIONS

The Page Residence Revolving Fund has not been used for certain authorized expenses, while its use has expanded for expenditures which were not specifically authorized. Furthermore, Page security deposits were never deposited or were not deposited timely. In addition, the amount of the security deposits has not been reviewed since the beginning of the House Page Program. This occurred because definitive usage criteria have not been developed and approved, and the Residence Hall Director held onto the checks rather than follow appropriate cash management practices. As a result, House Page Board direction has either been ignored or modified without clear documentation during the evolution of the program, Page security deposits have not been completely safeguarded, and security deposits may not cover the cost of repairs.

RECOMMENDATIONS

We recommend that the Clerk of the House (1) seek guidance from the House Page Board on paying the salaries of the Director, Assistant Director, and Secretary from the Page Residence Revolving Fund; (2) identify potential surplus funds in the Page Residence Revolving Fund and seek guidance from the House Page Board on returning the surplus to the U.S. Treasury; (3) develop clear expenditure categories which should be charged to the Page Residence Revolving Fund, and seek House Page Board input and approval of these expenditure categories prior to its implementation; (4) after House Page Board concurrence, distribute the House Page Board approved expenditure categories to parties responsible for developing, approving, and processing vouchers for payment; (5) seek guidance from the House Page Board relative to raising the monthly Page contribution to cover the increased costs associated with expanding the recreational activities and the \$45 monthly shortfall in covering the costs of the Page Meal Plan and providing weekend meals; (6) ensure the minutes of the House Page Board meetings are adequately documented to provide a clear basis for the management of the Page Residence Revolving Fund; (7) establish a policy which will ensure that Page security deposits are forwarded by the next business day to the Finance Office for deposit into the Page Residence Revolving Fund; and (8) review the amount required for security deposits and, if determined to be insufficient, seek guidance from the House Page Board relative to increasing the security deposit amount.

MANAGEMENT RESPONSE

On March 24, 1999, the Clerk concurred with the findings and recommendations in this report. According to the response, the Clerk already made proposals to the Page Board for the (1) payment of the Director, Assistant Director, and Secretary salaries; (2) return of surplus funds to the U.S. Treasury; and (3) study of a potential increase in the Page contribution. In addition, the Clerk (4) will develop a proposal on formal expenditure categories for submission to the Page Board; (5) will distribute the formal expenditure categories after Page Board approval; (6) will provide minutes of meetings and maintain files of all background materials used at Page Board meetings; (7) has developed and implemented a policy requiring that security deposits be properly and promptly deposited into appropriate accounts as required by related House procedures; and (8) will propose, at the next Page Board meeting, a plan to review the security deposit amount. The Page Board, in response to the Clerk's proposals, decided not to pay the Director, Assistant Director, and Secretary salaries from the revolving fund; rejected the return of surplus funds to the U.S. Treasury; and concurred on the need to develop a proposal to increase the monthly Page contribution.

Subsequent to their response, the Clerk, at the April 27, 1999 Page Board meeting, proposed formal expenditure categories and presented an overview of the Page contribution history. The Page Board approved both the formal expenditure categories and an increase in the Page contribution from \$300 to \$400 monthly, effective with the Fall 1999 Page Class. Also, the Clerk has distributed the formal expenditure categories to parties responsible for developing, approving, and processing vouchers for payment. In addition, the Clerk has improved efforts to create minutes of formal Board meetings. The Clerk has deferred the timeline for proposing an increase to the security deposit amount until information related to the departure of the 1998-1999 academic Page Class has been developed.

OFFICE OF INSPECTOR GENERAL COMMENTS

The actions taken and planned by the Clerk are responsive to the issues identified and, when fully implemented, should satisfy the intent of the recommendations. Based on the actions completed, we consider seven of the eight recommendations closed. The Clerk needs to provide a milestone for the recommendation not fully implemented or otherwise resolved.

TABLE OF CONTENTS

TRANSMITTAL MEMORANDUM

RESULTS IN BRIEF

I. INTRODUCTION

Background..... 1

Objective, Scope, And Methodology 2

Internal Controls 2

Prior Audit Coverage 2

II. FINDINGS AND RECOMMENDATIONS

Finding A: Fund Not Always Used As Directed By The Page Board..... 3

Finding B: Page Residence Hall Security Deposits Were Not
Properly Safeguarded Or Reviewed For Sufficiency 9

III. APPENDIX

Appendix: Clerk Management Response to the Draft Report

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I. INTRODUCTION

Background

Pages have assisted Members of the House of Representatives (House) since the 27th Congress. The House Page Program (Program) has evolved from boys hired as messengers to a full-time co-educational/residential/work program open to 16-year old high school juniors. Currently, the House has 72 positions¹ during the academic year and up to 78 during the summer programs for Pages selected from applicants residing in Congressional districts throughout the country.

In mid-July 1982, the Speaker and the Minority Leader of the House appointed a Page Commission to study all aspects of the House Page system. As a result of the Commission's study three major changes were made to the Program. First, Congress established a House Page Board (Board)² to supervise the Program. Second, Congress provided facilities near the Capitol in the O'Neill House Office Building for supervised Page housing. Third, Congress established a Page Residence Revolving Fund (Fund)³ to receive deposits for lodging, meals, and related services furnished for the Pages. The Board prescribes the regulations necessary for carrying out the resolution establishing the Fund. At the direction of the Clerk, the funds are disbursed by the Chief Administrative Officer of the House (CAO) for expenses related to the Page residence hall and the Page Meal Plan.

Under Board supervision, the Clerk of the House (Clerk)⁴ administers the day to day operations and staff of the Program that includes the House Page School and the Page Residence Hall. The Clerk receives annual appropriated funds to operate the Page school. To offset the costs for the Page residence hall and meal plan, \$300 is withheld monthly from the each Page's salary and deposited into the Fund. This amount is based upon a 1983 study which determined that the cost of obtaining commercial housing arrangements would be \$180 and the cost of providing a hot evening meal five days a week for the Pages would be \$120. As of September 30, 1998, the monthly fee for room and board has not changed.

During the Fall and Spring academic semesters, Pages attend morning classes at the Page school located in the Thomas Jefferson Building of the Library of Congress. After these classes, the

¹ The number of Pages was increased to 72 from 68 for the 1998-99 school year.

² The Page Board was established by House Resolution 611, Ninety-seventh Congress, on November 30, 1982. This resolution was subsequently enacted into permanent law by Pub. L. 97-377, title I, § 127, December 21, 1982, 96 Statute 1914 (Title 2 USC, § 88b-2). The board consists of two Members from the Majority party selected by the Speaker, one Member from the Minority party selected by the Minority Leader, the Clerk of the House and the Sergeant at Arms of the House.

³ Congress established the Page Residence Hall Revolving Fund by House Resolution 64, Ninety-eighth Congress, on February 8, 1983. This resolution was enacted into permanent law by Pub. L. 98-51, title I § 110, July 14, 1983, 97 Stat. 269 (Title 2 USC § 88b-5(a)). This law authorized \$295,000 to be disbursed by the Clerk of the House for the education of congressional Pages. Disbursement authority rested with the Clerk until the 104th Congress when Public Law 104-186, title II §204(38), August 20, 1996, 110 Stat. 1735 transferred responsibility for deposits and disbursements from the Clerk to the CAO. It prescribed that amounts deposited into the Fund shall be available for the CAO, as determined by the Clerk, for expenses relating to the Page residence hall and the Page Meal Plan.

⁴ The Doorkeeper administered the day to day operations of the Program until House Resolution No. 6, One Hundred Fourth Congress, January 4, 1995 abolished the Office of Doorkeeper of the House.

Pages begin their work day which consists of (1) delivering correspondence, legislative material, and small packages within the congressional complex, (2) answering phones in the Members Cloakrooms,⁵ and assisting Members on the Floor of the House Chamber by taking messages for Members, (4) preparing the House Floor for sessions, and (5) monitoring a telephone bank of incoming requests for Page services. In addition, there are two non-academic one month summer sessions so that Page services are available during June and July.

According to Board direction, Pages are provided breakfast and dinner meals five days each week, Monday through Friday. Currently, the meals are served in the U. S. Capitol Coffee Shop under the House Food Services contract with Guest Services Inc.

Objective, Scope, And Methodology

The objective of our audit was to review the sources and uses of the Fund and determine whether funds have been used as intended. Our audit was conducted at the offices of the Clerk and CAO. The period covered by the audit was October 1996 through September 1998 and our work was performed during the period July 1998 through October 1998.

This audit was conducted in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States and included such tests as we considered necessary under the circumstances. We identified and reviewed legislation, Board minutes, quarterly statements of disbursements, and reports produced by the Office of Finance. In addition, we discussed procedures for receipts and expenditures with Clerk and CAO personnel for an understanding of how transactions were approved and processed.

Internal Controls

We reviewed internal controls related to the receipt of Page monthly contributions toward meals and lodging, security deposits, and approval and processing of expenditures from the Fund. We found significant weaknesses which are discussed in the "Findings and Recommendations" section of this report.

Prior Audit Coverage

The OIG previously issued an audit report--*Opportunities Exist To Improve The Management Of The Clerk Of The House*, (Report No. 96-CLK-14) issued December 31, 1996, which addressed, among other issues, improvements needed in the Page Program. The report made two recommendations related to the Page Program, both of which have been fully implemented. The report *Improvements Are Needed In The Management And Operations Of The Office Of The Clerk* (Report No. 98-CLK-18, dated December 16, 1998), explains the actions taken on these two recommendations.

⁵ A Members Cloak Room is an ante room (one for the Majority Party and one for the Minority Party) where Members may make phone calls, get a snack, and meet briefly away from the Floor.

II. FINDINGS AND RECOMMENDATIONS

Finding A: Fund Not Always Used As Directed By The Page Board

The Fund has not been used for certain authorized expenses, while its use has expanded for expenditures which were not specifically authorized. This occurred because definitive usage criteria have not been developed and approved. As a result, Board direction has either been ignored or modified without clear documentation during the evolution of the program.

The Fund was established to administer to the financial matters relating to the Page Residence Hall and Meal Plan. The original use of the Fund was to serve as a receiving account for monthly Page contributions and as a source of payment for meals, lodging and related expenses for the House Pages. However, Board directions were never implemented to pay certain staff and return surplus funds to the Treasury. At the same time the use of the Fund expanded to include certain school activities, an expanded meal plan, and recreational activities--all without documented Board approval. Board meetings have not always been clearly documented--leaving the Clerk and Page staff to interpret Board intentions, directions, and decisions.

Salaries Not Paid From The Fund

When the Board established the Page Residence Hall, the members determined that there should be a Director, Assistant Director, and a Secretary to oversee the daily operation of the Residence Hall. The salaries for these three positions were to be paid from the lodging fees withheld from each Page's monthly salary. Details of the Board's Page Resident Hall personnel decisions are contained in the *Interim Report to the Speaker from the House of Representatives Page Board*, dated May 27, 1983. This report stated that, "Compensation for the Director, the Assistant to the Director, and the Secretary are all at no cost to the House of Representatives because fees generated from the Residence Hall Program are to be used to cover these salaries."

Our review of Board minutes did not disclose any subsequent changes to these personnel decisions. However, we found no evidence that salaries have ever been paid from the Fund. Instead, all salaries for positions related to the Residence Hall have been paid from appropriated funds.

Established by a 1983 study, \$180 of the monthly Page contribution is allocated towards lodging expenses. Therefore, the 68 Pages contribute a total of \$12,240 monthly for lodging, of which \$9,265 should have gone towards paying the salaries of the Director, Assistant Director, and Secretary. The remaining \$2,975 would be available for other non-food expenses. However, we found that the average monthly non-food expenses for the period January to June 1998 totaled \$5,621--far exceeding the amount available for such expenses. Clearly, the combined Residence Hall salary and non-food expenses (\$14,886) are greater than the amount of contributions received (\$12,240).

Fund Surpluses Not Returned To The Treasury

The Board specifically identified that surplus funds should be returned to the Treasury. These surplus funds were intended to off-set some of the appropriated funds that support the Page program. The Board minutes, dated November 10, 1983, discussed the Board's intent with regard to disposition of excess amounts that were expected to accumulate in the Fund. For example, a Member addressing the Chairman stated, "When we establish[ed] the whole process, the intent of collecting a rental fee from the student was to defray some of the appropriated fund costs involved, and perhaps although it is not as direct obviously, we realize that over a year we are going to develop a substantial amount of money in the revolving fund from the portion of the fee that is allocated to lodgings, that the Clerk will be recommending to the Board that you authorize be returned to the Treasury." Further, the Member stated, "[We know] that on an annual basis we will also be returning from the revolving fund to the Treasury a sum of money that will equal that⁶ plus substantially more."

The Fund has only returned funds once in its history. In 1984, quarterly disbursement reports showed that \$69,152 was returned to the Treasury. Since that time, no other amounts have ever been returned to the Treasury and the fund balance has grown to \$1.495 million at the end of Fiscal Year 1998. In addition, no subsequent changes to the Board's decision about disposition of excess funds have been recorded in the Page Board Minutes.

School Related Expenses Paid By Fund

School related expenses were being paid from the Fund instead of from Page School appropriated funds. A judgmental sample of nine vouchers from the quarterly Statement of Disbursement reports for the period of January 1, 1996 – June 30, 1998 showed that five of the disbursements made from the Fund were misclassified as expenses of the Page Residence Hall, rather than the Page School. These five vouchers were miscoded and were for Page yearbook and photography expenses, and a Preliminary Scholastic Aptitude Test (PSAT) review course. The Board, as early as November 1983, determined that educational expenses were not a related service that should be paid from the Fund.

Page yearbook expenditures and PSAT review courses were first paid from the fund in 1988. Since January 1996, the Fund has paid over \$40,400 in yearbook and photography expenses, and \$6,100 in PSAT review course expenses. Clerk personnel agreed that these were not residence hall expenses and should have been paid from the Page School appropriated funds. The vouchers for these transactions were miscoded based upon reliance on an unofficial list of expenditures believed by administrative staff to be appropriate for Fund usage.

Page Meal Plan Expanded Without Board Approval

When originally established in 1983, the Page Meal Plan provided only one hot evening meal on Mondays through Fridays. At that time, monthly Page contributions of \$120 fully covered these associated costs. However, beginning in September 1989, the Page Meal Plan was expanded to

⁶ Refers to an amount under discussion for school activities in the Page School Budget funded with appropriated funds.

include breakfast during the workweek and weekend meals. Although Board minutes indicated that the Page Meal Plan should be expanded to include breakfast, there was no evidence that the Board ever gave approval to provide weekend meals. During the period January through June 1998, the monthly cost of providing meals was about \$165 per Page--\$45 more than the amount withheld for meals. Since 1983, the Page salaries have increased 49.4 percent. Although the cost of providing meals has increased by 43.6 percent during this same period, the monthly Page contribution towards their room and board has remained constant.

Fund Used To Pay For Expanded Page Recreational Activities

The Board has long considered expenditures for Residence Hall activities an appropriate use of Fund resources. During the early and mid-eighties, these recreational expenditures primarily consisted of video rentals, gasoline for transportation on Page outings, and dorm parties which included food and musical entertainment. For the most part, the cost of these activities was nominal. Although the cost, if any, for chaperones to attend Page activities were paid by the Fund, Pages paid for their own activities.

However, in 1990, the Fund began paying for these Page activities--representing a fundamental shift in responsibility for event fees. Although these trips have occurred infrequently, a recently completed Anderson Consulting Inc. study recommended an increase in the number of activities to keep the Pages engaged and reduce boredom. The Clerk and the Page Director stated that they intend to follow this recommendation. Although several of the activities planned will be of little or no cost, others will have a cost. So that no Page would decide not to participate due to the cost, the use of the Fund to pay for some events will continue. Although the Board approved the expansion of Page recreational activities, we found no indication that the Board had approved shifting the burden of payment for event fees from the Pages to the Fund. While recreational outings provide many benefits and are an outlet for the Pages, we believe that the issue of what types of trips and the limits of cost burden sharing should be guided by the Board.

Conclusions

The Fund did not pay resident hall salaries and surplus funds were not annually returned to the Treasury. Furthermore, expenses paid by the fund have been increased by the expansion of the Page Meal Plan and recreational activities. As a result, the Pages' monthly contributions do not cover all expenses during the school year, and prior period surpluses would need to be used to fund current deficits. The Page Program's current expenses should be matched with current revenues and accumulated fund surpluses from prior periods should not be relied upon to cover current shortfalls, but returned to the Treasury.

The Board has the authority to prescribe regulations necessary for the operation of the Fund and Page Program. However, the Board has not always made the criteria for using the Fund to pay for Page activities clear. In the absence of clear criteria, authorized uses of the Fund have to be discerned from Board minutes, which are not always definitive. Although most disbursements from the Fund provided for the general welfare of the Pages, along with certain administrative expenses, the Clerk needs to develop definitive criteria for Fund uses, obtain Board approval,

and distribute the results accordingly. This will ensure that the Board expressly approves expenditures from the Fund.

Recommendations

We recommend that the Clerk of the House:

1. Seek guidance from the House Page Board on paying the salaries of the Director, Assistant Director, and Secretary from the Page Residence Revolving Fund.
2. Identify potential surplus funds in the Page Residence Revolving Fund and seek guidance from the House Page Board on returning the surplus to the U.S. Treasury.
3. Develop clear expenditure categories which should be charged to the Page Residence Revolving Fund, and seek House Page Board input and approval of these expenditure categories prior to its implementation.
4. After House Page Board concurrence, distribute the House Page Board approved expenditure categories to parties responsible for developing, approving and processing vouchers for payment.
5. Seek guidance from the House Page Board relative to raising the monthly Page contribution to cover the increased costs associated with expanding the recreational activities and the \$45 monthly shortfall in covering the costs of the Page Meal Plan and providing weekend meals.
6. Ensure the minutes of the House Page Board meetings are adequately documented to provide a clear basis for the management of the Page Residence Revolving Fund.

Management Response

The Clerk concurred with the recommendations in this finding. At the March 17, 1999 Page Board meeting, the Clerk made several proposals for the payment of the Director, Assistant Director, and Secretary salaries; return of surplus funds to the U.S. Treasury; and study of a potential increase in the Page contribution. In addition, the Clerk will develop a proposal on formal expenditure categories for submission to the Page Board; distribute, after Page Board approval, the formal expenditure categories to parties responsible for developing, approving, and processing vouchers for payment; and provide minutes of meetings and maintain files of all background materials used at Page Board meetings. The Page Board, in response to the Clerk's proposals, decided not to pay the Director, Assistant Director, and Secretary salaries from the revolving fund; rejected the return of surplus funds to the U.S. Treasury pending resolution of questions related to the Page Residence Hall; and concurred on the need to develop a proposal to increase the monthly Page contribution.

Subsequent to their response, the Clerk, at the April 27, 1999 Page Board meeting, proposed formal expenditure categories and presented an overview of the Page contribution history. The Page Board approved both the formal expenditure categories and an increase in the Page contribution from \$300 to \$400 monthly, effective with the Fall 1999 Page Class. The Clerk

distributed the formal expenditure categories to parties responsible for developing, approving, and processing vouchers for payment. In addition, the Clerk has improved efforts to create minutes of formal Board meetings, as evidenced by the detailed minutes from the March 17 and April 27, 1999 meetings.

Office of Inspector General Comments

The actions taken are responsive to the issues identified and satisfy the intent of these recommendations. Therefore, we consider these recommendations closed.

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Finding B: Page Residence Hall Security Deposits Were Not Properly Safeguarded Or Reviewed For Sufficiency

Page security deposits for the two 1998 summer sessions either were never deposited or were not deposited timely. This occurred because the Residence Hall Director held onto the checks rather than follow appropriate cash management practices. As a result, \$13,600 in Page security deposits were not completely safeguarded--increasing the risk that security deposit checks could be lost, misplaced, or stolen. In addition, the amount of the security deposits has not been reviewed since the inception of the Program.

Appropriate cash management practices are reflected in 31 U.S.C §3302(b) which states that an official or agent of the Government receiving money for the Government from any source shall deposit the money in the Treasury as soon as practicable. In addition, *U.S. House of Representatives Office of Finance Cash Receipts Policy/Procedure* states that the Finance Office will deposit within 24 hours of receipt various cash receipts which are collected by House Offices.

Each Page is required to make a security deposit of \$100 when checking into the Page Residence Hall. Payment is made by personal check, bank check, or money order made payable to the U. S. Treasury. The deposit is refundable within 60 days of termination when it is determined that the individual is not responsible for any damage to the premises or other charges. During the two 1998 summer sessions, the Residence Hall Director held onto the deposits of 136 Pages – 62 Pages during the first summer session and 74 Pages during the second summer session. Records in the Office of Finance indicate that during the two 1998 summer sessions only four security deposits were deposited into the Fund. However, these deposits were not made timely as shown in Figure 1 below.

Check Number	Check Date	Deposit Date
1568	06/07/98	07/16/98
1453	06/07/98	07/16/98
11127	07/01/98	08/26/98
3370	07/12/98	08/26/98

Figure 1

The Residence Hall Director explained that at the end of each session, if a Page did not cause any damage, their security deposit was returned along with the explanation that the check had never been deposited. If a Page was found responsible for damage to government property, the check would be deposited and the associated refund would reflect the amount deducted for the damage assessed. These checks were deposited after the Pages had left House employment which could limit the House's ability to collect the amount owed.

In addition, the amount of the security deposit has not been reviewed since the inception of the Program. Since the Architect of the Capitol (AOC) is responsible for making all repairs, the actual cost for the repairs should be obtained from the AOC. Using these actual costs of repairs, the Clerk should review the current security deposit amount and determine if the costs of repairs are being covered by the current amount.

Recommendations

We recommend that the Clerk:

1. Establish a policy which will ensure that Page security deposits are forwarded by the next business day to the Finance Office for deposit into the Page Residence Revolving Fund.
2. Review the amount required for security deposits and, if determined to be insufficient, seek guidance from the House Page Board relative to increasing the security deposit amount.

Management Response

The Clerk concurred with the recommendations in this finding. The Clerk has already developed and implemented a policy requiring that security deposits be properly and promptly deposited into appropriate accounts as required by related House procedures. Subsequent to their response, the Clerk deferred the timeline for proposing an increase to the security deposit amount until information related to the departure of the 1998-1999 academic Page class has been developed.

Office of Inspector General Comments

The actions taken or planned are responsive to the issues identified. Based on the actions completed, we consider Recommendation 1 closed. The actions currently planned, when fully implemented, should satisfy the intent of the remaining recommendation. The Clerk needs to provide a milestone for the recommendation not fully implemented or otherwise resolved

JEFF TRANDAHL
CLERK

H-154 THE CAPITOL

Office of the Clerk
U.S. House of Representatives
Washington, DC 20515-6601

March 24, 1999

Mr. John Lainhart
Inspector General
H2-485 Ford House Office Building
Washington, D.C. 20515

Dear John:

Attached please find a summary of my office's response to your office's draft audit entitled *Page Residence Revolving Fund Not Always Used As Intended*. I hope you find this additional information to be of assistance.

If I can provide any further information or clarification, please feel free to get back in touch with me.

With best wishes, I am

Sincerely,



Jeff Trandahl

Attachment

cc: Mr. Otto Wolff

Office of the Clerk

Responses to Recommendation to Inspector General Audit Page Residence Revolving Fund Not Always Used As Intended

March 24, 1999

Finding A

1. **Recommendation:** Seek guidance from the House Page Board on paying the salaries of the Director, Assistant Director, and Secretary from the Page Residence Revolving Fund.

Response: Concur. The Clerk has previously provided an historical overview of previous Board discussions and proposed (March 17, 1999) the paying of such salaries from the Fund. The Board rejected the proposal.

2. **Recommendation:** Identify potential surplus funds in the Page Residence Revolving Fund and seek guidance from the House Page Board on returning the surplus to the U.S. Treasury.

Response: Concur. The Clerk has previously proposed (March 17, 1999) the return of such funds to the U.S. Treasury. The Board rejected this option at that time pending questions related to the Page Residence Hall. The Clerk will continue to monitor the account and make such options known to the Board in the future.

3. **Recommendation:** Develop clear expenditure categories which should be charged to the Page Residence Revolving Fund, and seek House Page Board input and approval of these expenditure categories prior to its implementation.

Response: Concur. The Clerk will develop a proposal on formal expenditure categories to propose to the House Page Board. The Clerk was directed at a March 17, 1999, meeting of the Board to develop and report such a proposal in the near future.

4. **Recommendation:** After House Page Board concurrence, distribute the House Page Board approved expenditure categories to parties responsible for developing, approving and processing vouchers for payment.

Response: Concur. The Clerk will distribute such information once approved by the House Page Board.

5. **Recommendation:** Seek guidance from the House Page Board relative to raising the monthly Page contribution to cover the increased costs associated with expanding the recreational activities and the \$45.00 monthly shortfall in covering the costs of the Page Meal Plan and providing weekend meals.

Response: Concur. The Clerk agrees to present a recommendation to the House Page Board related to increasing the \$300.00 monthly Page stipend. On March 17, 1999, the House Page Board met and the Clerk proposed studying a potential increase in the stipend (the Board concurred on the need to develop a proposal) and sought reaffirmation of the current meal program for the Pages. The Board voted to continue the current meal structure of breakfast and dinner on weekdays and one-meal per day during weekends and holidays. The Clerk will be forwarding a proposal on the Page stipend at the next Page Board Meeting.

6. **Recommendation:** Ensure the minutes of the House Page Board meetings are adequately documented to provide a clear basis for the management of the Page Residence Revolving Fund.

Response: Concur. The Clerk will be providing minutes of meetings and maintaining files of all background materials used at Board meetings.

Finding B

1. **Recommendation:** Establish a policy which will ensure that Page security deposits are forwarded by the next business day to the Finance Office for deposit into the Page Residence Revolving Fund.

Response: Concur. The Clerk has already developed and implemented a policy requiring that security deposits be properly and promptly deposited into appropriate accounts as required by related House procedures.

2. **Recommendation:** Review the amount required for security deposits and, if determined to be insufficient, seek guidance from the House Page Board relative to increasing the security deposit amount.

Response: Concur. The Clerk will propose a plan at the next Board meeting.