



A. JOSEPH DeNUCCI
AUDITOR

The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

ONE ASHBURTON PLACE, ROOM 1819
BOSTON 02108

(617) 727-6200

NO. 90-235-1

STATE AUDITOR'S
REPORT ON THE ACTIVITIES
OF THE
SERGEANT-AT-ARMS
JULY 1, 1988 TO JUNE 30, 1989

State Library of Massachusetts
State House, Boston

MR
336.7M3
A91ra

OFFICIAL AUDIT REPORT

SEP 17 1990

ISSUED BY THE
Department of the State Auditor

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
REPORT ON ADEQUACY OF INTERNAL CONTROL SYSTEM	3
FINANCIAL STATEMENTS	4
I. Statement of Expenditures under Maintenance Appropriations and Receipts Account of Income, Fiscal Year Ended June 30, 1989	4
II. Comparative Statement of Budget and Actual Expenditures under Appropriations and Receipts Account of Income, Fiscal Year Ended June 30, 1989	6
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	9
ORGANIZATION	10



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

STATE HOUSE, BOSTON 02133

A. JOSEPH DeNUCCI
AUDITOR

TEL. (617) 727-2075

90-235-1

INDEPENDENT AUDITOR'S REPORT

Mr. James DiPerri
Acting Sergeant-at-Arms
Room 46, State House
Boston, Massachusetts 02133

We have audited the financial statements of the Sergeant-at-Arms for the fiscal year ended June 30, 1989, as listed in the Table of Contents. These financial statements are the responsibility of the Sergeant-at-Arms' management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the fourth and fifth paragraphs, we conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

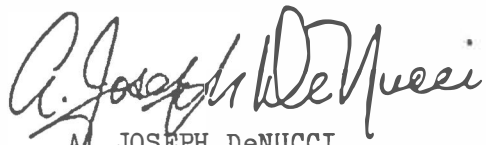
As described in the Notes to Financial Statements, No. 1 (page 7), the records of the Sergeant-at-Arms are maintained on a basis of accounting prescribed by the State Comptroller, which is a comprehensive basis of accounting other than generally accepted accounting principles.

We did not examine the financial transactions for the period July 1, 1986 to June 30, 1988. (See Supplementary Information No. 2, page 9.)

The Massachusetts Supreme Court, in Westinghouse Broadcasting Company, Inc. V. Sergeant-at-Arms of the General Court of Massachusetts (1978), has ruled that the records generated by the Legislature could be made available to outsiders only at the discretion of the House and Senate leadership. The House leadership granted us permission to examine time or attendance records for House court officers and House pages for the audit period. However, we were not permitted to examine time or attendance records for the Senate court officers, Senate pages, or legislative Document Room employees. During fiscal year 1989, Senate and Document Room employees were paid \$1,279,087, which represents 24.5% of the total year's disbursements of \$5,219,024.

In our opinion, except for the effects, if any, of the matters referred to in the fourth paragraph and of such adjustments as might have been determined to be necessary had we been able to examine evidence for the Senate employees' payroll, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial activity of the Sergeant-at-Arms for the fiscal year then ended in conformity with the basis of accounting prescribed by the Commonwealth of Massachusetts.

March 14, 1990


A. JOSEPH DeNUCCI
Auditor of the Commonwealth

REPORT ON ADEQUACY OF INTERNAL CONTROL SYSTEM

We have examined the financial statements of the Sergeant-at-Arms for the fiscal year ended June 30, 1989, and have issued our report thereon dated March 14, 1990.

Our examination was made in accordance with generally accepted government auditing standards. Solely to assist us in planning and performing our examination, we made a study and evaluation of the internal accounting controls of the Sergeant-at-Arms. The study and evaluation was limited to a preliminary review of the system to obtain an understanding of the control environment and the flow of transactions through the accounting system. Because of the small size of the office of the Sergeant-at-Arms, an adequate internal control structure does not exist for reliance thereon; therefore, our study and evaluation of the internal accounting controls did not extend beyond this preliminary review phase. Accordingly, we do not express an opinion on the system of internal accounting control taken as a whole. Also, our examination, made in accordance with the standards mentioned above, would not necessarily disclose material weaknesses in the system of internal accounting control. However, during our examination, we did not become aware of any condition that we believe to be a material weakness.

This report is intended solely for the use of management. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

FINANCIAL STATEMENTS

Statement No. IStatement of Expenditures under Maintenance
Appropriations and Receipts Account of Income

Fiscal Year Ended June 30, 1989

<u>Account Number</u>	<u>Account Name</u>	<u>Balance July 1, 1988</u>	<u>New Appropriations</u>	<u>Total Available</u>	<u>Disbursements</u>	<u>Reversions</u>	<u>Balance June 30, 1989</u>
	<u>Sergeant-at-Arms</u>						
0131-0000	Salaries and Clerical Expenses - Sergeant- at-Arms Office	-	\$ 405,908	\$ 405,908	\$ 375,560	\$14,440	\$ 15,908
0132-0000	Salaries - Chief General Court Officer, Assistant Chief General Court Officer, General Court Officers, and Pages	\$262,925	2,365,000	2,627,925	2,403,044	7,279	217,602
0132-1000	Salaries - Clerks, Document Room	-	377,900	377,900	333,040	-	44,860
0133-0000	Legislative Contingent Expenses	-	250,000	250,000	249,127	-	873
0135-0000	Rental and Maintenance of Electric Roll Call System	-	30,000	30,000	16,500	13,500	-
		<u>\$262,925</u>	<u>\$3,428,808</u>	<u>\$3,691,733</u>	<u>\$3,377,271</u>	<u>\$35,219</u>	<u>\$279,243</u>
	<u>Other Legislative Expenses</u>						
0161-1000	Telephone	\$ 701	\$1,600,000	\$1,600,701	1,600,593	-	\$ 108
0164-0010	Joint Standing and Special Committee Expenses	56,196	90,000	146,196	65,870	10,326	70,000
0165-0000	National Conference State Legislative Leadership Fees	-	180,000	180,000	175,290	-	4,710
		<u>\$ 56,897</u>	<u>\$1,870,000</u>	<u>\$1,926,897</u>	<u>\$1,841,753</u>	<u>\$10,326</u>	<u>\$ 74,818</u>

Statement No. I (Continued)Statement of Expenditures under Maintenance
Appropriations and Receipts Account of Income

Fiscal Year Ended June 30, 1989

Totals as of June 30, 1989	<u>\$319,822</u>	<u>\$5,298,808</u>	<u>\$5,618,630</u>	<u>\$5,219,024</u>	<u>\$45,545</u>	<u>\$354,061</u>
----------------------------	------------------	--------------------	--------------------	--------------------	-----------------	------------------

0103-64-01-40 Receipts Account of Income:

Sale of Bulletins	\$1,050
Sale of Legislative Documents	<u>\$800</u>
	<u>\$1,850</u>

<u>Analysis of Disbursements</u>	<u>Total</u>	<u>0131-0000</u>	<u>0132-0000</u>	<u>0132-1000</u>	<u>0133-0000</u>	<u>0135-0000</u>	<u>0161-1000</u>	<u>0164-0010</u>	<u>0165-0000</u>
Salaries	\$3,111,644	\$375,560	\$2,403,044	\$333,040	-	-	-	-	-
Services-Nonemployees	51,337	-	-	-	\$ 17,365	-	-	\$33,972	-
Clothing	1,584	-	-	-	1,584	-	-	-	-
Housekeeping Supplies and Expenses	208	-	-	-	208	-	-	-	-
Travel and Automotive Expenses	953	-	-	-	953	-	-	-	-
Maintenance Repairs and Alterations	5,072	-	-	-	5,072	-	-	-	-
Special Supplies and Expenses	7,262	-	-	-	-	-	-	7,262	-
Office and Administrative Expenses	1,984,732	-	-	-	184,213	-	\$1,600,593	24,636	\$175,290
Equipment	1,780	-	-	-	1,780	-	-	-	-
Rentals	54,452	-	-	-	37,952	\$16,500	-	-	-
	<u>\$5,219,024</u>	<u>\$375,560</u>	<u>\$2,403,044</u>	<u>\$333,040</u>	<u>\$249,127</u>	<u>\$16,500</u>	<u>\$1,600,593</u>	<u>\$65,870</u>	<u>\$175,290</u>

The accompanying notes are an integral part of these financial statements.

Statement No. IIComparative Statement of Budget and Actual Expenditures
under Appropriations and Receipts Account of Income

Fiscal Year Ended June 30, 1989

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual (Under)/Over Budget</u>
	<u>Sergeant-at-Arms</u>			
0131-0000	Salaries and Clerical Expenses - Sergeant- at-Arms Office	\$ 405,908	\$ 375,560	\$ (30,348)
0132-0000	Salaries - Chief General Court Officer, Assistant Chief General Court Officer, General Court Officers, and Pages	2,627,925	2,403,044	(224,881)
0132-1000	Salaries - Clerks, Document Room	377,900	333,040	(44,860)
0133-0000	Legislative Contingent Expenses	250,000	249,127	(873)
0135-0000	Rental and Maintenance of Electric Roll Call System	30,000	16,500	(13,500)
		<u>\$3,691,733</u>	<u>\$3,377,271</u>	<u>\$(314,462)</u>
	<u>Other Legislative Expenses</u>			
0161-1000	Telephone	\$1,600,701	\$1,600,593	\$ (108)
0164-0010	Joint Standing and Special Committee Expenses	146,196	65,870	(80,326)
0165-0000	National Conference State Legislative Leaders Membership Fees	180,000	175,290	(4,710)
		<u>\$1,926,897</u>	<u>\$1,841,753</u>	<u>\$ (85,144)</u>
Totals as of June 30, 1989		<u>\$5,618,630</u>	<u>\$5,219,024</u>	<u>\$(399,606)</u>
0103-64-01-40	<u>Receipts Account of Income</u>			
	Sale of Bulletins	-	\$1,050	\$1,050
	Sale of Legislative Documents	-	800	800
		<u>-</u>	<u>\$1,850</u>	<u>\$1,850</u>

The accompanying notes are an integral
part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

According to Chapter 7A, Section 7, of the General Laws, as amended, the State Comptroller is responsible for the Commonwealth's accounting system. The Comptroller establishes and maintains funds as authorized or mandated by the various provisions of the General Laws. The State Treasurer, a constitutional officer, has custody of and manages the Commonwealth's cash and investments.

The financial statements in this report refer to specific accounts within the Commonwealth's fund structure. The Sergeant-at-Arms is required to follow the accounting and financial reporting policies prescribed by the Commonwealth. These policies differ in certain respects from generally accepted accounting principles as applicable to governmental units. The following is a summary of the Commonwealth's significant policies as they pertain to the Sergeant-at-Arms.

Basis of Accounting: The Sergeant-at-Arms uses a limited accrual basis of accounting. Receipts are recognized when received, and expenditures, with the exception of year-end encumbrances, are recorded on a cash basis. At the close of the fiscal year, all encumbrances (expenditure commitments) against maintenance appropriation accounts are recorded as expenditures. The State Comptroller considers these encumbrances as accounts payable, which, if not expended, will revert to the Commonwealth on December 31.

The Commonwealth's accounting system requires state agencies to expense, rather than capitalize, purchases of fixed assets.

2. Fiscal Year 1989 Expenditures

As described in Note No. 1, at fiscal year-end all encumbrances against appropriation accounts for ordinary maintenance that expire at the end of the fiscal year are recorded as expenditures. The State Comptroller considers these fiscal year-end encumbrances as accounts payable, and, in accordance with Chapter 29, Section 13, of the General Laws, these encumbrances are to be paid within four months of fiscal year-end, but are extendable to six months upon request. The unencumbered balance is reverted to the Commonwealth.

Fiscal year 1989 expenditures, as shown on Financial Statement No. I, have been adjusted to reflect the final disposition of the fiscal year-end encumbrances.

SUPPLEMENTARY INFORMATION

1. Audit Review

At the conclusion of the audit, a draft of this report was reviewed with James DiPerri, Acting Sergeant-at-Arms.

2. Unaudited Financial Activity

We did not examine the financial transactions of the Sergeant-at-Arms for the period July 1, 1986 to June 30, 1988. Since we did not test any activity for the period noted, we cannot express an opinion on its accuracy or validity.

ORGANIZATION

June 30, 1989

In accordance with Section 15 of Chapter 3 of the General Laws, the Sergeant-at-Arms is chosen by, and serves under, the General Court. The General Court appointed Charles M. McGowan* to be the Sergeant-at-Arms, effective January 26, 1976.

The office of the Sergeant-at-Arms is located in Room 46, State House, Boston.

The Sergeant-at-Arms is charged with the duty of maintaining order in the chambers of the General Court. He is also in charge of chief General Court officers and pages attached to the Legislature, and acts as custodian of certain advances to the Legislature.

Bonded Employees

<u>Position</u>	<u>Amount</u>
Sergeant-at-Arms	\$5,000
Assistant Sergeant-at-Arms	5,000
Chief Administrative Voucher Examiner	5,000
Clerks to Sergeant-at-Arms (2)	5,000 (each)
Administrative Aide	5,000
Administrative Aide I	5,000
Administrative Aide II	5,000
Administrative Aide III	5,000

*Retired April 30, 1990