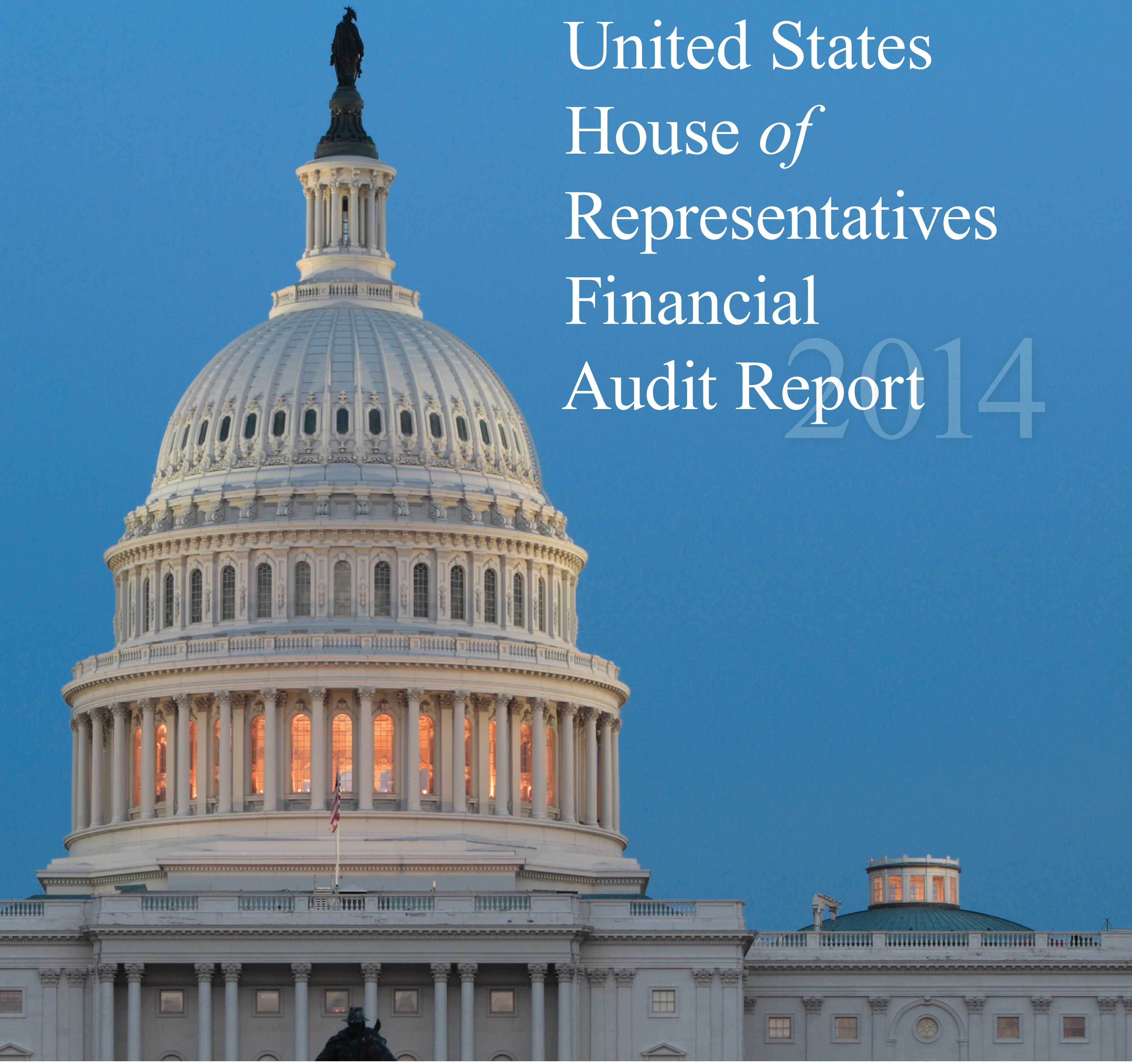
United States House *of* Representatives Financial Audit Report 2014



Audit *of the* Financial Statements

for the Fiscal Year Ended September 30, 2014

May 20, 2015 | *Report No. 15-HSW-04*

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ANNUAL FINANCIAL STATEMENTS
FISCAL YEAR 2014

SUMMARY

This report presents the audited Annual Financial Statements of the U.S. House of Representatives (House) for the fiscal years ended September 30, 2014 and 2013. We contracted with the independent certified public accounting firm of Cotton and Company LLP to perform an audit of the House's financial statements, and to report on internal control over financial reporting and on any reportable noncompliance with tested laws and regulations. The contract required that the audit be performed in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in government auditing standards, issued by the Comptroller General of the United States; and the Office of Management and Budget Bulletin 07-04, as amended, *Audit Requirements for Federal Financial Statements*.

For the seventeenth consecutive year, the independent auditors expressed an unmodified opinion on the House's financial statements, a noteworthy accomplishment for the House. An unmodified opinion means that the financial statements present fairly, in all material respects, the financial position and the results of the entity's operations in conformity with U.S. generally accepted accounting principles.

However, the independent auditors reported three significant deficiencies[1] in internal control over financial reporting. The significant deficiencies relate to controls over financial reporting processes, information technology, and property and equipment. Management concurred with the auditor's report and continues to implement corrective actions related to the outstanding issues.

The auditors identified no instances of non-compliance with applicable laws and regulations.

Cotton and Company LLP is responsible for the attached auditor's report dated March 11, 2015 and the conclusions expressed therein. The Office of Inspector General does not express an opinion on the House's financial statements, the effectiveness of internal control over financial reporting, or conclusions on compliance with laws and regulations.

We would like to thank House management and staff for their assistance and cooperation during the course of this audit.

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[1] A significant deficiency is a deficiency, or a combination of deficiencies, in internal control, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Management's Discussion *and* Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2014

Introduction

Management's Discussion and Analysis (MDA) provides a high level overview of the origin and mission of the U.S. House of Representatives. Fiscal Year 2014 (October 1, 2013 – September 30, 2014) coincided with sessions of the 113th U.S. Congress.

Origin, History, and Mission

The U.S. House of Representatives (House) is one of two legislative chambers that comprise the Congress of the United States (the other is the U.S. Senate). Article I, Section 1 of the Constitution, adopted by the Constitutional Convention on September 17, 1787, created and vested all legislative powers to the Congress.

Location, Size, and Organization

The House chamber is located in the U.S. Capitol in Washington, DC. Other House administrative buildings in Washington, DC include the Cannon, Longworth, Rayburn, and Ford House Office Buildings; and the O'Neill Federal building.

Law fixes the number of voting representatives in the House at no more than 435, proportionally representing the population of the 50 states. Also referred to as a congressman or congresswoman, each representative is elected to a two-year term serving the people of a specific congressional district. Among other duties, representatives introduce bills and resolutions, offer amendments and serve on committees. To be elected, a representative must be at least 25 years old, a United States citizen for at least seven years and an inhabitant of the state he or she represents.

Article 1, Section 2 of the Constitution provides for both the minimum and maximum sizes for the House of Representatives. Currently, there are five delegates representing the District of Columbia, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. A resident commissioner represents Puerto Rico. The delegates and resident commissioner possess the same powers as other members of the House, except that they may not vote when the House is meeting as the House of Representatives.

The Rules of the House, adopted at the beginning of each new Congress, allow for the creation of standing and special and select committees. The Committees of the House under 113th Congress are:

Committee on Agriculture
Committee on Appropriations
Committee on Armed Services
Committee on the Budget
Committee on Education and the Workforce
Committee on Energy and Commerce
Committee on Ethics
Committee on Financial Services
Committee on Foreign Affairs
Committee on Homeland Security
Committee on House Administration
Committee on the Judiciary
Committee on Natural Resources
Committee on Oversight and Government Reform
Committee on Rules
Committee on Science, Space, and Technology
Committee on Small Business
Committee on Transportation and Infrastructure
Committee on Veterans' Affairs
Committee on Ways and Means
Permanent Select Committee on Intelligence
Select Committee on Benghazi

The joint committees are: the Joint Economic Committee, the Joint Committee on the Library, the Joint Committee on Printing and the Joint Committee on Taxation.

House Leadership

Article I, Section 2 of the Constitution states, "The House of Representatives shall chuse (sic) their Speaker and other officers." In addition to the Speaker, each political party in the House has a leadership hierarchy, typically including a Majority Leader, Minority Leader, Majority Whip, and Minority Whip.

House Officers and Organizations

Rule II of the Rules of the House for the 113th Congress provided for the election of four officers to support House operations: a Clerk, a Sergeant-at-Arms, a Chief Administrative Officer and a Chaplain. The Rules of the House also established the Offices of Inspector General, Historian and General Counsel.

Under House Rule II, the Chief Administrative Officer has "operational and financial responsibility for functions as assigned by the Committee on House Administration and shall be subject to the oversight of the Committee on House Administration." According to Committee on House Administration records, the Chief Administrative Office has been designated as the disbursing officer for the House of Representatives since July 1, 1995. Additionally, House Rule II requires the Chief Administrative Officer to "fully cooperate with the appropriate offices and persons in the performance of reviews and audits of financial records and administrative operations." Accordingly, an audit of the financial statements of the House, as prepared by the Chief Administrative Officer, is performed annually.

FINANCIAL STATEMENT HIGHLIGHTS

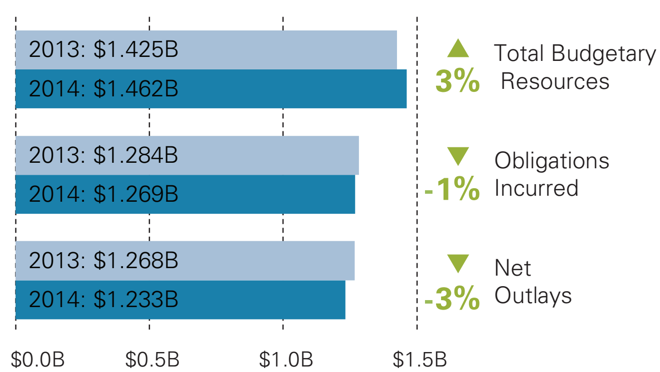
Basis of Accounting and Presentation

The FY 2014 financial statements present the financial position, net cost of operations, changes in net position and budgetary resources of the House. These statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) issued by the Federal Accounting Standards Advisory Board (FASAB) and the applicable form and content requirements of the Office of Management and Budget's (OMB) Circular No. A-136, *Financial Reporting Requirements*.

The House's accounting structure, in accordance with GAAP, utilizes both accrual and budgetary accounting. Under accrual accounting, events are recognized as they occur, as opposed to when cash is received or disbursed. Therefore, revenues are recorded when earned and expenses are recorded when a liability is incurred, without regard to receipt or payment of cash. The budgetary accounting, on the other hand, facilitates compliance with legal constraints on, and controls over, the use of Federal funds

Budgetary Resources

The House finances most of its operations through congressional appropriations of budget authority. To the extent that revenue generated by some House entities does not cover expenses, appropriations are required. The House receives annual, multi-year and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. A financing source is recognized for these appropriated funds received, less appropriations transferred or not available through rescission or cancellation. The House usually receives the full amount of its appropriation at the beginning of each fiscal year as stated in the public law. The House reported total budgetary resources for FY 2014 of $1.5 billion, up 3 percent from FY 2013. The House reported $86 million of total unpaid obligated balances as of September 30, 2014.



Obligations Incurred decreased by $15 million in FY 2014. Net Outlays decreased by $35 million in FY 2014.

Balance Sheet

Condensed Balance Sheet Data

Dollars in Millions	2014	2013	% Change
Fund Balance with Treasury	$279	$217	29%
Property and Equipment, Net	19	27	-30%
Other Assets	6	8	-25%
Total Assets	$304	$252	21%
Accounts Payable	28	28	0%
Actuarial Federal Employees' Compensation Act Liabilities	35	39	-10%
Other Liabilities	17	18	-6%
Total Liabilities	$80	$85	-6%
Unexpended Appropriations	217	159	36%
Cumulative Results of Operations	7	8	-13%
Total Net Position	$224	$167	34%
Total Liabilities and Net Position	$304	$252	21%

Total Assets – The House reported total assets of $304 million as of September 30, 2014, a 21 percent increase from prior year total assets of $252 million. The Fund Balance with Treasury (FBwT) of $279 million represents the primary asset on the Balance Sheet of the House (92 percent of total assets). FBwT increased due to overall spending for FY 2014 being approximately $62 million less than the total House appropriation received of approximately $1 billion. The House typically does not spend its entire appropriation in the first year as funds are available for spending over a three year period from the time received.

Property and Equipment is the second largest asset, with a net balance of $19 million. The major items in this category include computer software and hardware, and equipment. The majority of the decrease of approximately $8 million can be attributed to normal depreciation taken on existing equipment and computer hardware with no significant capital asset additions for the current year.

Other Assets include Cash, Accounts Receivable, Inventory and Operating Materials and Supplies, and Advances and Prepayments. The 25% decrease in Other Assets is primarily due to a decrease in Prepayments

Total Liabilities – The House reported total liabilities of $80 million as of September 30, 2014, a 6 percent decrease from the prior year total of $85 million. The primary categories include Accounts Payable of $28 million (35 percent of total liabilities) and Actuarial Federal Employees' Compensation Act (FECA) Liabilities of $35 million (44 percent of total liabilities). Actuarial FECA Liabilities decreased due to an overall decrease in Workers' Compensation expenses.

Other Liabilities include categories such as Accrued Payroll and Benefits, Accrued Annual Leave, Capital Lease Liabilities, Employer Contributions and Payroll Taxes Payable, and Other Post Employment Benefits Due and Payable.

Total Net Position – The Net Position as of September 30, 2014 was $224 million, an increase of $57 million (34 percent) from the prior fiscal year. The balance was primarily comprised of Unexpended Appropriations of $217 million. The increase in net position is primarily due to an increase of $20 million in net appropriations received and a $24 million decrease in the appropriations used.

Statement of Net Cost

Net Cost of Operations – The Net Cost of Operations for FY 2014 was $1.5 billion, a 3 percent decrease from FY 2013, primarily comprised of Legislative Activities.

Limitations of the Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of the entity.

While the statements have been prepared from the books and records of the House of Representatives in accordance with GAAP for federal entities and in the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources that are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

MANAGEMENT ASSURANCES

Fiscal Year 2014 Statement of Assurance
On Internal Control over Financial Reporting

The Chief Administrative Officer (CAO) is responsible for establishing and maintaining effective internal control over financial reporting that meets the intent of the objectives of the Federal Managers' Financial Integrity Act (FMFIA) and OMB Circular A-123 Appendix A, Management's Responsibility for Internal Control. The CAO is able to provide reasonable assurance that the internal controls meet the objectives of FMFIA and OMB Circular A-123 as of September 30, 2014.

The CAO conducted its assessment of the CAO's internal control over financial reporting in accordance with the requirements of Appendix A of Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Internal Control for FY 2014 and followed up on prior year weaknesses. Based on the results of the evaluation, the CAO continued to note one prior year material weakness in its internal control over financial reporting as of June 30, 2014. As of September 30, 2014, corrective actions had been completed that reduced the material weakness to a significant deficiency. Other than the exception noted in the following Internal Control Assessment, the internal controls were operating effectively and no other material weaknesses were found in the design or operation of the internal control over financial reporting.

Ed Cassidy
Chief Administrative Officer

OMB Circular A-123 Appendix A Review

The Internal Control Assessment is a review of the design and operating effectiveness of key internal control activities for the CAO's business processes, for safeguarding of assets, and for compliance with applicable laws and regulations. The Program follows a risk-based approach in determining the key controls to be assessed during the current year in accordance with Appendix A of OMB Circular A-123, Management's Responsibility for Internal Control over Financial Reporting.

Under Rule II of the Rules of the U.S. House of Representatives (the House) for the 113th Congress, the CAO has "operational and financial responsibility for functions as assigned by the Committee on House Administration." The Rule further requires the CAO to "fully cooperate with the appropriate offices and persons in performance of reviews and audits of financial records..."

A Senior Assessment Team (SAT) exists to provide senior management oversight for assessment of internal controls over financial reporting as they relate to budgetary and financial policies, standard operating procedures and business systems. The SAT conducts periodic meetings, as needed, to report on the findings and status to date, and discuss remediation efforts. The Internal Controls Program supports the SAT in performing the day-to-day functions of the program.

The SAT assessed and evaluated the CAO's compliance with Appendix A of OMB Circular A-123 requirements as of June 30, 2014, and determined that the deficiencies related to property, plant, and equipment identified as of September 30, 2013 continued to be a material weakness. As of September 30, 2014, the material weakness had been reduced to a significant deficiency and the internal controls over financial reporting were operating effectively and no other material weaknesses were found in the design or operation of the internal control over financial reporting

Office of the Inspector General (OIG) Assessment for Previous Fiscal Year

Under House Rule II of the 112th Congress, the Office of the Inspector General (OIG) provides "audit, investigative, and advisory services to the House and joint entities in a manner consistent with government-wide standards." For FY 2014, the OIG engaged Cotton & Company LLP to perform the external audit of the House's financial statements. The House received an unmodified audit opinion for FY 2014 *(See Table 1).*

Cotton & Company LLP did not report any material weakness in FY 2014. The audit report noted three significant deficiencies related to ineffective controls over property and equipment, the financial reporting process, and information technology.

Table 1 – FY 2014 Summary of Financial Statement Audit

Audit Opinion	**Unmodified**				
Name of Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
None	0	0	0	0	0

Property, Plant, and Equipment

In FY 2013 the CAO reported a material weakness related to Property, Plant and Equipment (PP&E) mainly because a comprehensive inventory of CAO PP&E assets was not performed in more than a few years. Fully depreciated assets with zero net book values in Note 5 – General Property and Equipment, Net were adjusted for about $45M following a preliminary inventory effort conducted during FY 2013.

The material weakness reported in FY 2013 related to safeguarding of assets remained open as of June 30, 2014. Corrective action plans had been identified and a significant portion of the action plan had been completed as of September 30, 2014. Additional action plans are in place to address implementation of related policies and procedures. These actions are planned for completion in FY 2015. As such, the material weakness has been reduced to a significant deficiency as of September 30, 2014.

In FY 2014, the House performed an inventory of CAO property and equipment and identified property records totaling approximately $10 million that were physically disposed prior to FY 2013. The House also performed an evaluation of infrastructure wiring in FY 2014 and determined that wiring with an acquisition cost of approximately $18 million had been upgraded or replaced and the old wiring was no longer in service as of September 30, 2013. As a result of the inventory of CAO property and equipment and the evaluation of infrastructure wiring, the House determined the itemized computer software and hardware, and equipment acquisition cost and accumulated depreciation were overstated. Since the CAO property and equipment and infrastructure wiring were fully depreciated and had no net book value, the Property and Equipment, Net line item was shown correctly on the Consolidated Balance Sheet for FY 2013 and there was no effect on the total assets, net cost of operations or net position. *(See Table 2).*

Table 2 – FY 2014 Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA §2)					
Audit Opinion	**Unmodified**				
Name of Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Property and Equipment	1	0	1	0	0

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Inspector General
U.S. House of Representatives

In our audits of the 2014 and 2013 financial statements of the U.S. House of Representatives (House), we found:

- The financial statements as of and for the fiscal years ended September 30, 2014 and 2013, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- No material weaknesses in internal control over financial reporting and compliance as of September 30, 2014;
- Three significant deficiencies in internal control over financial reporting as of September 30, 2014; and
- No reportable noncompliance in fiscal year 2014 with the provisions of applicable laws, regulations, and contracts we tested.

The following sections discuss in more detail (1) our report on the House financial statements and on required supplementary information and other information included with the financial statements; (2) our report on the House's internal control over financial reporting; (3) our report on compliance with laws, regulations, and contracts; and (4) the House's comments on a draft of this report.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated balance sheets of the House as of September 30, 2014 and 2013, and the related consolidated statements of net cost, consolidated statements of changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and as applicable, Office of

Management and Budget (OMB) Bulletin No. 14-02, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 14-02 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the House as of September 30, 2014 and 2013, and its consolidated net cost, consolidated changes in net position, and combined budgetary resources for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America, and as applicable, OMB Circular A-136, *Financial Reporting Requirements,* require that the Management's Discussion and Analysis and other Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board and OMB, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Schedule of Spending for the fiscal years ended September 30, 2014 and 2013, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to auditing procedures and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Internal Control Over Financial Reporting and Compliance
In planning and performing our audit of the FY 2014 financial statements, we considered the House's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the House's internal control. Accordingly, we do not express an opinion on the effectiveness of the House's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Significant Deficiencies
We identified the following deficiencies in the House's internal control that we consider to be significant deficiencies.

1. Ineffective Control Over Property and Equipment
2. Ineffective Control Over the Financial Reporting Process
3. Ineffective Control Over Information Technology

These deficiencies in internal control are described in more detail in Appendix A.

Limitations of Internal Control
Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with controls may deteriorate.

COMPLIANCE

As part of obtaining reasonable assurance about whether the House's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We did not test compliance with all laws and regulations applicable to the House. We limited our tests of compliance to those provisions of laws and regulations OMB audit guidance requires that we test and we deemed applicable to the financial statements for the fiscal year ended September 30, 2014. We caution that noncompliance may have occurred and may not have been detected by these tests, and that such testing may not be sufficient for other purposes. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB audit guidance.

HOUSE'S RESPONSE TO FINDINGS

The House's response to the findings identified in our audit is included in Appendix B. The House concurred with the findings in our report. The House's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THE OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

The purpose of this communication regarding Other Reporting Required by *Government Auditing Standards* is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

COTTON & COMPANY LLP

Meredith Shears

Meredith Shears, CPA
Partner
Alexandria, VA
March 11, 2015

APPENDIX A
SIGNIFICANT DEFICIENCIES NOTED DURING THE FY 2014 FINANCIAL STATEMENT AUDIT

Appendix A
Significant Deficiencies Noted During the FY 2014 Financial Statement Audit

During our audit of the U.S. House of Representatives (House)'s fiscal year (FY) 2014 financial statements, we identified three significant deficiencies in internal control over financial reporting, described in this appendix. We do not consider these deficiencies to be material weaknesses.

Finding 1: **Ineffective Control Over Property and Equipment**
Summary Status: **Prior-Year Condition**
Open

In FY 2013, we reported deficiencies in the House's internal control over the accuracy and completeness of property and equipment (property) records. During FY 2014, the House performed an inventory of Office of the Chief Administrative Officer (CAO) property and reconciled the results of the inventory with the property records. Although the House made progress in addressing the previously reported internal control weaknesses, controls around the inventory and disposal processes still need improvement. Specifically, we identified the following areas in which controls over property are not effective and need improvement:

1. Inventory controls are not properly designed and are not operating effectively.
2. Disposals are not always recorded timely.

The weaknesses collectively represent a significant deficiency. We discuss each of these areas below and provide our recommendations for improvement.

1. Inventory controls are not properly designed and are not operating effectively.

While the House improved its controls over the inventory process, further improvements are required to ensure that property records are complete and accurate, including implementing inventory policies and procedures.

In FY 2014, the House contracted with a third-party vendor to perform an inventory count of accountable and capitalized property assigned to the CAO; however, the inventory did not include capitalized software and wiring, which have a significant value when combined. Based on this inventory, the House removed 120 assets with a total acquisition cost of approximately $10 million from the House's core financial system, PeopleSoft. These assets had no residual net book value (NBV)[1]. In addition, the House analyzed its capitalized wiring and identified $18 million in fully depreciated wiring that was obsolete and no longer in service and removed the wiring from PeopleSoft. The balance sheet was not affected because these assets were fully depreciated; however, as a result of these errors, the House was required to restate *Note 5 – General Property and Equipment, Net* because acquisition cost and accumulated depreciation for this property was overstated by $28 million.

During our audit, we performed existence testing on a sample of capitalized property recorded in PeopleSoft. While we were able to verify the existence of all sampled property that had a NBV, we found

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[1] NBV is the acquisition value of an asset less accumulated depreciation. A fully depreciated asset with no residual value will have a NBV of $0.

that 4 of 20 fully depreciated non-CAO assets and 2 of 38 fully depreciated CAO assets did not exist or were incorrectly capitalized. We also performed completeness testing, in which we selected 51 capital and accountable assets and physically observed them to determine whether each was recorded in PeopleSoft. We found that the House had recorded 3 of the 51 sampled assets as disposed property.

As a result of these errors, the amounts reported for Computer Software and Hardware acquisition cost and accumulated depreciation in Note 5 – *General Property and Equipment, Net* were understated by approximately $424,000. The House corrected this misstatement in the final FY 2014 financial statements.

CAO-HIR policy number 003-08, *HIR Asset Management and Inventory Control*, states:

> *To maintain the integrity of HIR inventory systems, a complete physical inventory of equipment by serial number and/or barcode shall be conducted annually for accountable items…a complete inventory for each employee and custodial area shall be printed and distributed annually during the month of February.*

The House's *Guide To Outfitting and Maintaining an Office of the U.S. House of Representatives* states:

> *Inventory Procedures: HSS shall maintain an inventory of all office equipment and district office furnishing items having an original purchase price of $500 or more assigned to each office, except as noted below.*
>
> *HSS shall perform a physical inventory of all office equipment items assigned to each Washington, DC office:*
>
> 1. *Whenever a Member or Committee office relocates; or*
> 2. *Whenever there is a change in the office holder (Member or Chair); or*
> 3. *At least once every six years*

Federal Accounting Standards Advisory Board (FASAB) Statements on Federal Financial Accounting Standards (SFFAS) 6, *Accounting for Property, Plant, and Equipment*, states:

> *In the period of disposal, retirement, or removal from service, general PP&E [property] shall be removed from the asset accounts along with associated accumulated depreciation/amortization.*

The U.S. Government Accountability Office (GAO)'s *Standards for Internal Control in the Federal Government* states:

> *A subset of these objectives is the safeguarding of assets. Internal control should be designed to provide reasonable assurance regarding prevention of or prompt detection of unauthorized acquisition, use, or disposition of an agency's assets.*

We recommend that the CAO continue its efforts to improve the design and effectiveness of internal controls over property and equipment to ensure that property records are complete and accurate and that inventories are completed regularly, completely, and timely.

2. Disposals are not always recorded timely.

The House does not have effective controls in place to ensure that disposals are recorded in PeopleSoft in a timely manner. In FY 2014, we tested a sample of ten asset disposals and found that two of the ten were not recorded in PeopleSoft in a timely manner. These property items were physically disposed in prior fiscal years, but the disposal was not recorded in PeopleSoft until House personnel identified the items as missing during FY 2014.

Because of this internal control weakness, the House's property records may not be complete and accurate. This increases the risk of misstatements in the House's financial statements.

Federal Accounting Standards Advisory Board (FASAB) Statements on Federal Financial Accounting Standards (SFFAS) 6, *Accounting for Property*, *Plant, and Equipment*, states:

> *In the period of disposal, retirement, or removal from service, general PP&E [property] shall be removed from the asset accounts along with associated accumulated depreciation/amortization.*

GAO's *Standards for Internal Control in the Federal Government* states:

> *Transactions should be promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from the initiation and authorization through its final classification in summary records. In addition, control activities help to ensure that all transactions are completely and accurately recorded.*
>
> *Internal control and all transactions and other significant events need to be clearly documented, and the documentation should be readily available for examination. The documentation should appear in management directives, administrative policies, or operating manuals and may be in paper or electronic form. All documentation and records should be properly managed and maintained.*

We recommend that the CAO improve controls over disposals by:

- Reviewing and updating existing standard operating procedures to ensure that property disposals are processed in PeopleSoft timely, completely, and accurately.
- Ensuring that all employees responsible for disposing property receive training on the CAO's standard operating procedures.

Finding 2: **Ineffective Control Over the Financial Reporting Process**
Summary Status: **Significant Deficiency**
Prior-Year Condition
Open

Since FY 2009, we have reported that the House does not have effective controls over financial reporting. During FY 2014, the House made additional progress in addressing previously identified errors; however, we identified the following areas within financial reporting in which controls are not effective and improvements are needed:

1. The House is not always adhering to generally accepted accounting principles (GAAP).

2. Amounts in the Schedule of Spending (SOS) are not always properly classified as “Federal” or “Non-Federal.”

These weaknesses collectively represent a significant deficiency. We discuss each of these areas below and provide our recommendations for improvement.

1. The House is not always adhering to GAAP.

During FY 2014, we identified two areas in which the House did not have sufficient internal control to ensure that amounts were reported in accordance with GAAP. Specifically, we found the following:

Corrections of Errors

The House does not have adequate internal control to ensure that corrections of errors are properly evaluated and reported. In FY 2014, the House performed a physical inventory of all CAO property aside from software and wiring and identified approximately $10 million in fully depreciated property that did not exist as of September 30, 2014. These disposals occurred prior to FY 2013; however, the Office of Accounting (Accounting) did not properly evaluate the error in accordance with GAAP to determine whether it was related to the prior fiscal year. As a result, the FY 2013 amount reported for the Computer Software and Hardware line in *Note 5 – General Property and Equipment, Net* was overstated by approximately $10 million.

Upon notification by and discussion with the auditors, the House corrected this amount in FY 2013 Note 5 – *General Property and Equipment, Net* and disclosed the restatement in Note 20 – *Restatements*.

FASAB SFFAS 21, *Reporting Correction of Errors and Changes in Accounting Principles, Amendment of SFFAS 7, Accounting for Revenue and Other Financing Sources,* states:

> *Errors in financial statements result from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were prepared. When errors are discovered after the issuance of financial statements, and if the financial statements would be materially misstated absent correction of the errors, corrections should be made as follows:*
>
> *If comparative financial statements are presented, then the error should be corrected in the earliest affected period presented by correcting any individual amounts on the financial statements. If the earliest period presented is not the period in which the error occurred and the cumulative effect is attributable to period periods, then the cumulative effect should be reported as a prior period adjustment. The adjustment should be made to the beginning balance of cumulative results of operations, in the statement of changes in net position for the earliest period presented.*

We recommend that the CAO improve internal controls over financial reporting to ensure that errors are properly evaluated and reported in accordance with GAAP.

Litigation and Unasserted Claims

The House does not have effective internal controls in place to ensure that pending or threatened litigation and unasserted claims involving the House are properly reported in the financial statements in accordance with GAAP. During FY 2014, a legal matter that settled for $2.5 million, to be paid from the Treasury Judgment Fund, was not recorded in the financial statements as an imputed financing source and related expense. As a result, the following financial statement lines were misstated by $2.5 million:

- Statement of Change in Net Position – Imputed Financing from Costs Absorbed by Others was understated
- Statement of Net Costs – Legislative Gross Costs was understated

In addition, Note 10 – *Commitments and Contingencies* did not include disclosures for six cases in which there was a reasonable possibility that a future loss may be incurred.

Upon notification by and discussion with the auditor, the House made the necessary corrections for the above-noted misstatements in the final FY 2014 financial statements.

FASAB SFFAS 12, *Recognition of Contingent Liabilities Arising from Litigation: An Amendment of SFFAS 5, Accounting for Liabilities of the Federal Government,* states:

> *A contingent liability should be recognized when all of these three conditions are met: a past event or exchange transaction has occurred; a future outflow or other sacrifice of resources is probable; and the future outflow of resources is measurable…*
>
> *A contingent liability should be disclosed if any of the conditions for liability recognition are not met and there is at least a reasonable possibility that a loss or an additional loss may have been incurred. "Disclosure" in this context refers to reporting information in notes regarded as a integral part of the basic financial information…*
>
> *Disclosure should include the nature of the contingency and an estimate of the possible liability, an estimate of the range of the possible liability, or a statement that such an estimate cannot be made.*

In addition, Interpretation of Federal Financial Accounting Standards 2, *Accounting for Treasury Judgment Fund Transactions,* states:

> *The Federal entity's management, as advised by the Justice Department, must determine whether it is probable that a legal claim will end in a loss for the Federal entity and the loss is estimable. If the loss is probable and estimable, the entity would recognize an expense and liability for the full amount of the expected loss. The expense and liability would be adjusted periodically, as necessary, based on any changes in the estimated loss. The Federal entity involved in the litigations shall discuss in a footnote to the financial statements the Judgment Fund's role in the payment of a possible loss…*
>
> *Once the claim is either settled or a court judgment is assessed against the Federal entity and the Judgment Fund is determined to be the appropriate source for the payment of the claim, the liability should be removed from the financial statements of the entity that incurred the liability and an "other financing source" amount (which represents the amount to be paid by the Judgment Fund) would be recognized.*

We recommend that the CAO implement policies and procedures to ensure pending or threatened litigation and unasserted claims are reported in accordance with general accepted accounting principles.

2. Amounts in the SOS are not always properly classified as "Federal" or "Non-Federal."

The House does not have effective internal controls in place to ensure that spending presented in the SOS is properly classified and is consistent with the basic financial statements. Accounting classified Members' gross payroll spending as "Federal" in the "Where did the Money go to" section of the SOS. Because this spending was provided to a non-federal entity, it should have been classified as "Non-Federal," consistent with information contained in the basic financial statements. As a result, the "Federal" amounts were overstated by $76.3 million, and the "Non-Federal" amounts were understated by this same amount.

Upon notification by and discussion with the auditors, the House made the necessary corrections in the final FY 2014 SOS.

GAO's *Standards for Internal Control in the Federal Government* states:

> *Internal control should provide reasonable assurance that the objectives of the agency are being achieved in the following categories:*
>
> - *Effectiveness and efficiency of operations including the use of the entity's resources.*
> - *Reliability of financial reporting, including reports on budget execution, financial statements, and other reports for internal and external use.*
> - *Compliance with applicable laws and regulation.*

We recommend that the CAO improve internal controls over financial reporting to ensure that spending presented in the SOS is properly classified and is consistent with information contained in the basic financial statements.

Finding 3: **Ineffective Control Over Information Technology**
Summary Status: **Significant Deficiency**
Prior-Year Condition
Open

During FY 2014, the House continued to improve its controls over information technology (IT). It successfully remediated prior-year issues concerning security control assessments and contingency planning; however, full implementation of a risk management framework, including maintenance of system security plans (SSPs), implementation of baseline configurations, and tracking of information security weaknesses, is still in progress. We first identified and reported the issues concerning the risk management framework in FY 2009. In addition, there are still other areas for improvement in strengthening controls surrounding the completeness, accuracy, and reliability of financial data.

We noted the following conditions related to internal controls over information systems, which collectively represent a significant deficiency in the control environment:

1. The House has not fully implemented procedures to ensure that all major systems within its IT environment have undergone a risk management process.

2. The House has not fully developed and maintained SSPs for major financial systems.
3. The House has not fully developed or implemented a process for identifying, tracking, and remediating all known security weaknesses and incidents.
4. The House has not adequately designed and implemented audit logging and monitoring controls for financial applications.
5. The House has not adequately configured and monitored security configuration baselines.
6. The House does not actively monitor and review access to PeopleSoft shared group accounts.
7. The House permitted a developer to retain access to the production environment of PeopleSoft.

We discuss each of these areas below and provide our recommendations for improvement.

1. The House has not fully implemented procedures to ensure that all major systems within its IT environment have undergone a risk management process.

The House did not complete risk management framework activities in accordance with National Institute of Standards and Technology (NIST) guidance for PeopleSoft, Human Resource Information Systems (HRIS), the House Network, and Active Directory. Specifically, SSPs continue to need improvement, control assessment processes are not fully implemented, and the continuous monitoring program has not been finalized. As a result of these limitations, all in-scope systems authorized in FY 2014 received only “Limited Authority to Operate” (LATO).

During 2014, the CAO did achieve a significant milestone in the implementation of a formal risk management framework by finalizing the following risk management framework policies and procedures:

- House Information Security Policy (HISPOL) 007.0, *The United States House of Representatives Risk Management Framework Policy*
- House Information Security Publication (HISPUB) 007.2, *The United States House of Representatives Information Security Publication – Risk Management Framework for CAO Information Systems*

Without completing Security Assessment and Authorization (SA&A) activities, management cannot obtain adequate assurance that the general IT environment and all information systems are operating with an acceptable amount of risk.

NIST Special Publication (SP) 800-37, Revision 1, *Guide for Applying the Risk Management Framework to Federal Information Systems: A Security Life Cycle Approach*, requires that organizational officials, in collaboration with the senior information security officer, assess the information provided by the system owner or common control provider regarding the current security state of the system and make recommendations for addressing any residual risks. Risk assessments are employed at the discretion of the organization to provide needed information on threats, vulnerabilities, and potential impacts, as well as the analyses for risk mitigation recommendations.

We recommend that the CAO:

- Implement and enforce a risk management framework utilizing the recently approved risk management framework policies and procedures.

- Undergo a security assessment process, to include risk assessments, in accordance with House policy and industry best practices for federal information systems, to ensure that management's authorizing officials are provided with adequate information to make system authorization decisions.

2. The House has not fully developed and maintained SSPs for major financial systems.

We found that the House has not fully developed and maintained SSPs for major financial systems in accordance with House policy and industry best practices. During FY 2014, the House did update SSPs for all in-scope applications. The House Network and Active Directory were consolidated into one General Support System (GSS) SSP, while the in-scope financial applications (i.e., PeopleSoft, HRIS, and FinMart) were consolidated into the Major Applications SSP. Despite these updates, issues persist with the SSPs. Specifically, we noted the following issues:

- Common controls are identified extensively throughout the SSPs; however, these common controls have not yet fully undergone the SA&A process, and the controls have not been documented. Management therefore does not have a full understanding of system risk, as there may be controls that are not fully implemented.
- All in-scope systems were granted only LATO due to significant issues with SSP documentation. Specifically, the chief information security officer (CISO) had reservations surrounding common controls, categorization of controls, and documentation detail.

During FY 2014, CAO management finalized policies and procedures that provide guidance regarding the implementation of a risk management framework as outlined by NIST SP 800-37, Revision 1, including minimum security control selection, scoping, and tailoring; however, these new policies and procedures have not been completely implemented and institutionalized as part of a recurring information security process. As a result, there is an increased risk that potential threats and vulnerabilities will go unmitigated due to a lack of security controls commensurate with the risk of the system security categorization.

In accordance with NIST SP 800-18, Revision 1, *Guide for Developing Security Plans for Federal Information Systems*, agencies must meet the minimum security requirements of Federal Information Processing Standard (FIPS) 200. These requirements represent a broad-based, balanced information security program that addresses the management, operational, and technical aspects of protecting the confidentiality, integrity, and availability of federal information and information systems. Agencies meet the minimum security requirements in FIPS 200 by applying security controls selected in accordance with NIST SP 800-53, Revision 3, *Recommended Security Controls for Federal Information Systems and Organizations*, and with the designated impact levels of the information systems.

We recommend that the CAO document and implement policies and procedures that provide guidance regarding the implementation of a risk management framework as outlined by NIST SP 800-37, Revision 1, including system security categorization, minimum security control selection, scoping, and tailoring.

3. The House has not fully developed or implemented a process for identifying, tracking, and remediating all known security weaknesses and incidents.

The House has not developed or implemented a process for identifying and tracking all known security weaknesses and incidents across the agency, or for ensuring that appropriate corrective action is taken. We did note that the House developed a formal Plan of Action and Milestones (POA&M) process in FY 2014, as documented in the *CAO Guidelines for the Creation and Maintenance of Plan of Action and Milestones.* We also noted that the House updated POA&Ms for all in-scope systems, including the House Network, Active Directory, PeopleSoft, HRIS, and FinMart; however, the POA&Ms were incomplete and were missing a significant portion of the required fields, including:

- Responsible Resources
- Planned Completion Date
- Action Plan/Milestones
- Actual Completion Date
- Remediation Funding
- Issue Source

HISPOL 007.0 requires that vulnerabilities identified during the review process of an application or device be documented and tracked throughout the remediation process. Identified vulnerabilities are prioritized based on the risk each poses. Once a vulnerability is identified, a corrective action should be formulated and a timeframe established for its implementation.

We recommend that the CAO complete the implementation of the POA&M process by ensuring that each POA&M include:

- Responsible Resources
- Planned Completion Date
- Action Plan/Milestones
- Actual Completion Date
- Remediation Funding
- Issue Source

4. The House has not adequately designed and implemented audit logging and monitoring controls for financial applications.

We noted that PeopleSoft had inadequate monitoring of sensitive application transactions and table edits, as well as inappropriate separation of duties for security personnel reviewing system or application logs. We also noted inadequate logging and monitoring of FinMart infrastructure components. Specifically, we noted the following issues:

- At an application level, the only auditable events in the PeopleSoft program that management actively monitors are failed logon attempts and security role changes. While management has established key fields and tables for trigger-based auditing, it does not actively monitor and review these logs.
- The UNIX administrators supporting PeopleSoft, all of whom have SUDO access to root on the production application, web, and database Solaris servers, are responsible for both the administration of the operating system and the monitoring of operating system security logs.

This represents a separation-of-duties conflict, as the administrators are potentially reviewing their own actions.

- CAO management does not log and monitor the modification or deletion of content in SQL Server Agent jobs on the FinMart production SQL server. SQL Server Agent jobs manage the daily data transfer with PeopleSoft, as well as the system assurance job that ensures data integrity.

We noted that CAO management was investigating application monitoring tools to address this issue in 2014; however, procurement had not begun as of the end of FY 2014.

CAO management has not developed policies and procedures documenting all aspects of audit logging and monitoring for financial applications. This increases the risk that suspicious activity affecting key financial data, whether intentional or unintentional, will not be detected in a timely manner, and that a single individual could engage in malicious activity that could remain undetected.

In accordance with NIST SP 800-53, Revision 3, *Recommended Security Controls for Federal Information Systems and Organizations*, organizations should determine, based on a risk assessment and mission/business needs, that the information system is capable of auditing organizationally-defined auditable events. The organization should review and analyze information system audit records for indications of inappropriate or unusual activity and report findings to designated organizational officials. Additionally, NIST SP 800-53, Revision 3 states that organizations should separate duties of individuals as necessary, to prevent malevolent activity without collusion. For example, security personnel who administer access control functions should not administer audit functions.

We recommend that the CAO develop and implement audit logging and monitoring policies and procedures for PeopleSoft and FinMart to ensure that management actively monitors audit logs for sensitive financial records and tables, as well as for key security activities, and that all reviews and any follow-up actions are documented.

5. The House has not adequately configured and monitored security configuration baselines.

During FY 2014, the House did not complete the implementation of security configuration baselines to correct deficiencies noted in prior years, including issues with the Microsoft Windows Server 2008 and UNIX configuration checklists. The CAO has completed checklists for Windows Server 2008 and Solaris 11, and management is monitoring configuration baselines for Solaris using Trip Wire; however, they did not complete monitoring of the baseline configurations for the Windows servers during FY 2014.

CAO management has not implemented a process to ensure that security configuration baselines are configured and monitored in accordance with industry best practices. As a result, settings deployed to House operating systems and database management systems may not provide adequate security and protection. This increases the risk that the integrity, confidentiality, and availability of House data could be compromised.

In accordance with NIST SP 800-53, Revision 3, *Recommended Security Controls for Federal Information Systems and Organizations*, organizations should establish configuration settings for IT products employed within the information system that reflect the most restrictive mode consistent with operational requirements, and monitor changes to the configuration settings in accordance with organizational policies and procedures.

We recommend that the CAO implement a process to ensure that security configuration baselines are appropriately configured and monitored for all platforms, in accordance with industry best practices.

6. The House does not actively monitor and review access to PeopleSoft shared group accounts.

The House does not adequately monitor and review shared group accounts, including privileged administrator accounts. We noted three group accounts, two with administrative access and one used by the accounting department for accounts payable processing, that did not have proper oversight and accountability. The CAO has attempted to resolve this issue internally for the last two years, and in 2014, the CAO determined that an automated solution would best address this control. During 2014, CAO management began investigating application monitoring tools to address this issue; however, procurement had not begun as of the end of FY 2014.

These issues are due to a lack of adequately established policies and procedures guiding the usage and monitoring of PeopleSoft shared group accounts, including privileged administrator accounts. This lack of policies and procedures increases the risk that inappropriate actions may be performed with a privileged account within the financial system and go undetected; even if inappropriate actions are detected, accountability for those actions cannot be determined.

In accordance with NIST SP 800-53, Revision 3, *Recommended Security Controls for Federal Information Systems and Organizations*, the information system should uniquely identify and authenticate organizational users or processes acting on behalf of organizational users. Unique identification of individuals in group accounts (e.g., shared privileged accounts) may need to be considered for detailed accountability of activity.

We recommend that the CAO uniquely identify and authenticate users to the highest degree possible by establishing and implementing policies and procedures concerning audit logging and monitoring, including privileged administrator accounts.

7. The House permitted a developer to retain access to the production environment of PeopleSoft.

We identified a developer that is able to move code into the production environment. Specifically, this developer has both developer access within the PeopleSoft development environment and systems administrator access within the STAT server; as a result, the developer is able to move code from the STAT server into the PeopleSoft production environment. This represents a separation-of-duties issue.

In accordance with NIST SP 800-53, Revision 4, Recommended Security Controls for Federal Information Systems and Organizations, control AC-5, the organization should separate system developers from the ability to move code into production.

Current PeopleSoft access restrictions do not prevent one of the developers from moving code from the development environment to the production environment. This increases the risk that a developer may move their own code into production without ensuring that is it reviewed and approved by the appropriate personnel.

We recommend that the CAO change the access restrictions in the system to prevent individuals with development capabilities from being able to move code into production.

Chief Administrative Officer's Audit Report Response

Ed Cassidy
Chief Administrative Officer

Office of the
Chief Administrative Officer
U.S. House of Representatives
Washington, DC 20515–6860

MEMORANDUM

To: Theresa M. Grafenstine
Inspector General

From: Ed Cassidy
Chief Administrative Officer

Subject: Chief Administrative Officer Response to the *Fiscal Year 2014 Financial Statement Audit Report*

Date: 3/11/2015

Thank you for the opportunity to comment on the U.S. House of Representatives Financial Statement Audit for fiscal year 2014. We are pleased to have received another clean audit opinion.

We have reviewed and concur with the three significant deficiencies and the corresponding recommendations contained in the FY14 Financial Statement Audit Report. Outlined below are summaries of current status and planned actions related to these issues.

Finding 1: Ineffective Control Over Property and Equipment
During FY 2014 the Chief Administrative Officer (CAO) commissioned a complete inventory of all CAO accountable equipment by an independent contractor, with another complete inventory scheduled to start in June 2015. The 2014 inventory provided valuable information to the project team charged with conducting the first top-to-bottom review of all CAO asset management processes in decades. Specifically, the inventory identified opportunities to improve process steps related to disposing, receiving, and transferring CAO owned property and equipment. The inventory also identified data standardization improvements for custodians, locations, and organizations. This information was used to review all asset management policy, processes and procedures. With assistance from the Office of the Inspector General Management Advisory team, an outside contractor and numerous CAO employees involved in the day-to-day asset management, the review and documentation of the new high level processes has been completed. The current fourteen different processes have been replaced by five standardized processes to be implemented uniformly across the CAO.

The CAO has also completed process improvements for equipment disposal, created additional reports to provide timely disposal data, and increased awareness of all CAO management for accountable equipment inventory requirements. Currently, the project team is gathering detailed requirements for potential technology improvements related to the asset management system, scanners, and auto discovery software for the core processes. They are also developing more detailed and documented desktop procedures, and with assistance from an outside contractor developing a comprehensive training program for all employees involved in asset management processes. Additionally, the creation of a new Asset Management directorate under the CAO Office of Finance is already in progress. The new directorate will be responsible for receiving, disposing, transferring, periodic inventories and management of policy/process/procedures for House assets. The new Asset Management directorate will ensure that control mechanisms are documented and monitored for all asset management processes. The CAO business unit chiefs have designated individuals to be the lead points of contact with specific responsibilities and duties related to maintaining the inventory for designated equipment assets within the business unit. One of the CAO's highest priorities in FY15 is to complete the implementation of the new Asset Management organization along with associated processes and procedures by September 30, 2015.

Finding 2: Ineffective Control Over the Financial Reporting Process
The CAO has strengthened policies and procedures already in place related to the preparation of the House's annual financial statements. Specifically, language that applies to the disposal of property has been reviewed and updated as necessary to ensure consistentcy with GAAP, and checklists have been modified to ensure that Statement of Federal Financial Accounting Standards are being applied correctly to the treatment of contingent liabilities. In addition, to strengthen the House's internal quality control review process and thus reduce the risk of undetected errors, the CFO has directed the Office of Finance to adjust the timeline for preparing the FY2015 financial statements, accompanying notes, and schedules to ensure that additional time is allowed for a comprehensive review of all methodologies used to arrive at final reported balances. The CAO has completed all corrective action related to this finding. Finally, the Office of Finance has been authorized to hire additional personnel to be dedicated to the annual reporting process with priority given to individuals with significant executive branch A-136 experience.

Finding 3: Ineffective Controls Over Information Technology

1. **The House has not fully implemented procedures to ensure that all major systems within its IT environment have undergone a risk management process.**

   Following the approval of the CAO RMF Policy, individuals across the HIR organization and Internal Controls created a plan for implementing the RMF. The plan laid out a strategy and a timeline to get all systems properly accredited through an established risk management process based on the NIST SP 800-37 guidelines. The organization started the initial phases needed to implement the framework across multiple systems and has established 38 systems authorization boundaries across 110 information systems. After systems were categorized according to their FIPS 199 baseline, all controls were reviewed for applicability. A list of common controls has been developed and is being finalized and the testing of those controls will begin in June 2015. Systems were prioritized to establish the initial systems to be processed through the 6 stages of the RMF. Financial systems, security systems, and other critical systems will start the process in Q4FY15. Additionally, a rigorous continuous monitoring process will ensure that the established controls remain properly implemented once the systems have been properly authorized to operate on the network.

2. **The House has not fully developed and maintained SSPs for major financial systems.**
   As previously noted, with the establishment of an organizational wide NIST Based Risk Management Framework applicable to the 110 information systems, the CAO will execute the activities needed to properly document and accredit the systems across the enterprise. As part of the RMF implementation, the organization has established 38 systems authorization boundaries across the 110 information systems. After systems were categorized according to their FIPS 199 baseline all controls were reviewed for applicability. A list of common controls has been developed and is being finalized and the testing of those controls will begin in June 2015. Systems were prioritized to establish the initial systems to be processed through the 6 stages of the RMF. Financial systems, Security systems, and other critical systems will start the process in Q4FY15.
   The RMF is designed to take a system through various processes to accredit and monitor the system in accordance with security controls and guidelines. The System Security Plan, which documents the controls that protect the Confidentiality, Integrity and Availability (CIA) of the system and its information, is an output of the system authorization process.

   To properly manage and track the SSPs and continuous monitoring, the organization has procured and is implementing RSA's Archer A&A module which will allow a central repository for managing all of the SSP documentation and remediation activities. Contract support has been obtained to assist in the implementation of the Archer tool.

3. **The House has not fully developed or implemented a process for identifying, tracking, and remediating all known security weaknesses and incidents.**
   Over the past year the Information Security Office conducted an extensive review of incident handling procedures as a means to address issues associated with our ability to identify, track, and remediate all known security weaknesses and incidents. As a result we have implemented RSA's Archer Incident module to track and manage security incidents as they occur within the House environment. Incidents are identified by Information Security personnel through the analysis of event data collected by numerous security tools operating on the House network and entered into Archer. A detailed standard operating procedure was created and tickets are generated to track incidents categorized by type as they occur. Each ticket captures data to include event type, affected systems, remediation status, and any system artifacts gathered as a result of detecting or mitigating the incident. The data then becomes fully searchable allowing it to be used as a repository to gain historical context for future events.

4. **The House has not adequately designed and implemented audit logging and monitoring controls for financial applications.**
   Over the past year, the CAO conducted an extensive review of Privileged Account access Management (PAAM) solutions as a means to address issues related to the logging and monitoring of CAO financial systems' privileged accounts. While this review revealed the broad capabilities and value PAAM solutions could offer an organization, the CAO determined its original plan and scope for implementing a PAAM solution did not address the full potential of this technology from an enterprise perspective. In addition, the CAO determined it lacked adequate knowledge and expertise in this technology to develop

internal policies and operating procedures as well as requisite staff and contractor resources to maintain and operate the system.

As a result, the CAO will first implement a low cost, low risk planning initiative (Phase 1) to fully determine the best approach for addressing Account Access Management (AAM) for the CAO from an enterprise perspective to include but not limited to CAO managed systems identified within this issue. In addition, this planning initiative will enable the CAO to develop a concept of operations for managing and maintaining this technology to ensure staffing and/or contractor support requirements are fully scoped and can be planned for before an AAM solution is implemented. During this initiative, the technology will be evaluated for House-wide use. Subject to availability of funds, the CAO anticipates completion of Phase 1 within 6 months of funding being approved. A target completion date to fully implement an AAM solution which addresses this issue will be provided at the conclusion of Phase 1.

The audit finding indicated that the CAO did not provide evidence of log reviews being completed in accordance with the "EA Support Review of Application Server Log Files" SOP. The CAO did, in fact, complete the log reviews in accordance with internal SOP during FY 2014. However, the internal SOP only required an email notification or action be taken when certain criteria were met as part of the log file review. To ensure there is no ambiguity when each log review is completed, EA revised its internal SOP in January 2015 to require an email notification is sent by the log reviewer to select EA management and the PeopleSoft Security Team each time a log review is completed.

The CAO will also review all financial system audit logs to determine which require active (trigger-based) monitoring. For those selected, the CAO will develop procedures for active monitoring to include the appropriate triggers for each log reviewed, as well as, who will review the logs, frequency of review, and actions to be taken when a trigger is set. The CAO will complete this action by July 31, 2015.

5. **The House has not adequately configured and monitored security configuration baselines.**
During 2014, the Information Security Office began a number of initiatives to enhance its ability to adequately configure and monitor security configuration baselines. The Oracle 11g baseline has been updated to reflect the current CIS benchmark and applied to running instances of Oracle. All requested exceptions to the baseline have been reviewed and documented with justifications. In addition, the Information Security Office has hired two additional contract staff to address specific areas identified as a result of this finding. One resource will focus on performing a review and update of existing House policies (HISPOLs) and the other is dedicated to the implementation of Tripwire, a tool purchased to support the continuous monitoring of servers and networking equipment with configuration baselines. With support from the Committee on House Administration a new password policy was created and approved to increase password complexity and reduced usage duration. A commercial continuous monitoring solution has been configured to monitor the implementation of the established benchmarks on a continuous basis for over 300 servers across numerous operating systems.

6. **The House does not actively monitor and review access to PeopleSoft shared group accounts.**
   As previous noted the CAO conducted an extensive review of Privileged Account access Management (PAAM) solutions as a means to address issues related to the logging and monitoring of CAO financial systems' privileged accounts. While this review revealed the broad capabilities and value PAAM solutions could offer an organization, the CAO determined its original plan and scope for implementing a PAAM solution did not address the full potential of this technology from an enterprise perspective. In addition, the CAO determined it lacked adequate knowledge and expertise with this technology to develop internal policies and operating procedures as well as requisite staff or contractor resources to maintain and operate the system.

   As a result, the CAO will first implement a low cost, low risk planning initiative (Phase 1) to fully determine the best approach for addressing Account Access Management (AAM) for the CAO from an enterprise perspective to include but not limited to CAO managed systems identified within this issue. In addition, this planning initiative will enable the CAO to develop a concept of operations for managing and maintaining this technology to ensure staffing and/or contractor support requirements are fully scoped and can be planned for before an AAM solution is implemented. During this initiative, the technology will be evaluated for its use House-wide. Subject to availability of funds, the CAO anticipates completion of Phase 1 within 6 months of funding being approved. A target completion date to fully implement an AAM solution which addresses this issue will be provided at the conclusion of Phase 1.

   In addition, the CAO successfully implemented a Database Administration Monitoring (DAM) tool for Lawson and FinMart and is in the process of completing its implementation for PeopleSoft. Completion of DAM internal procedures and tuning of the tool will continue in Q2-Q3 of 2015 with completion by June 30, 2015.

7. **The House permitted a developer to retain access to the production environment of PeopleSoft.**
   On November 21, 2014 Enterprise Applications changed the access restrictions in the system to prevent individuals with development capabilities from being able to move code into production. Development capabilities were taken away from the PeopleSoft role in question.

We recognize that the achievement of an unqualified financial statement opinion was accomplished through the joint efforts of your staff, contract auditors, CAO and other House staff. I would like to express my appreciation for the cooperation and professionalism displayed by your staff and contract auditors during the course of the engagement.

Fiscal Year 2014 Financial Statements

FINANCIAL STATEMENTS INCLUDED IN THIS REPORT

The U.S. House of Representatives (House) has prepared financial statements for fiscal year (FY) 2014 in accordance with U.S. Generally Accepted Accounting Principles (GAAP) issued by the Federal Accounting Standards Advisory Board (FASAB) and the applicable form and content requirements of the Office of Management and Budget's (OMB) Circular No. A-136, *Financial Reporting Requirements*. The responsibility for the integrity of the financial information included in these statements rests with management of the House. The audit of the House's financial statements was performed by Cotton & Company LLP. The auditor's report accompanies the financial statements.

The House's financial statements for FY 2014 consisted of the following:

The **Consolidated Balance Sheets**, which present as of September 30, 2014 and 2013 those resources owned or managed by the House that are available to provide future economic benefits (assets); amounts owed by the House that will require payments from those resources or future resources (liabilities); and residual amounts retained by the House comprising the difference (net position).

The **Consolidated Statements of Net Cost**, which present the net cost of the House's operations as of September 30, 2014 and 2013. The House's net cost of operations includes the gross costs incurred by the House less any exchange revenue earned from House activities.

The **Consolidated Statements of Changes in Net Position**, which present the change in the House's net position resulting from the net cost of the House's operations, budgetary financing sources other than exchange revenues, and other financing sources as of September 30, 2014 and 2013.

The **Combined Statements of Budgetary Resources**, which present the budgetary resources available to the House during FY 2014 and FY 2013, the status of these resources at September 30, 2014 and 2013, the change in obligated balance during FY 2014 and FY 2013, and net outlays of budgetary resources as of September 30, 2014 and 2013.

CONSOLIDATED BALANCE SHEETS

As of September 30, 2014 and 2013

	2014	2013
ASSETS		
Intergovernmental		
Fund Balance with U.S. Treasury (Note 2)	$ 278,582,522	$ 217,273,660
Accounts Receivable, Net (Note 3)	66,614	63,034
Advances and Prepayments (Note 7)	169,759	10,733
Total Intragovernmental	278,818,895	217,347,427
Cash and Other Monetary Assets (Note 2)	2,655	3,782
Accounts Receivable, Net (Note 3)	370,883	493,500
Inventory and Operating Materials and Supplies (Note 4)	1,197,223	1,323,008
Property and Equipment, Net (Note 5)	19,208,430	26,796,857
Advances and Prepayments (Note 7)	4,639,201	5,839,165
Total Assets	**$ 304,237,287**	**$ 251,803,739**
Stewardship Property and Equipment (Note 6)		
LIABILITIES		
Intragovernmental		
Accounts Payable	$ 4,529,826	$ 4,476,022
Advances from Others	603,219	197,209
Capital Lease Liabilities (Note 9)	-	72,862
Other Liabilities	2,361,598	2,165,654
Total Intragovernmental	7,494,643	6,911,747
Accounts Payable	23,158,599	23,997,401
Actuarial Federal Employees' Compensation Act Liabilities	35,349,785	38,506,935
Accrued Payroll and Benefits	6,522,459	6,989,142
Accrued Annual Leave	7,125,969	7,919,488
Other Liabilities	77,556	261,983
Total Liabilities (Note 8)	**$ 79,729,011**	**$ 84,586,696**
NET POSITION		
Unexpended Appropriations	$ 217,237,784	$ 159,014,711
Cumulative Results of Operations	7,270,492	8,202,332
Total Net Position	**$ 224,508,276**	**$ 167,217,043**
Total Liabilities and Net Position	**$ 304,237,287**	**$ 251,803,739**

CONSOLIDATED STATEMENTS OF NET COST

For the Years Ended September 30, 2014 and 2013

	2014	2013
NET COST OF OPERATIONS (Note 11)		
Net Costs by Program Area		
Legislative Activities		
Gross Costs	$ 1,485,227,505	$ 1,520,266,570
Less: Earned Revenue	(5,362,533)	(3,557,267)
Net Program Costs	**1,479,864,972**	**1,516,709,303**
Revolving Funds		
Gross Costs	1,965,051	5,582,938
Less: Earned Revenue	(4,736,462)	(5,266,751)
Net Program Costs	**(2,771,411)**	**316,187**
Net Cost of Operations	**$ 1,477,093,561**	**$ 1,517,025,490**

CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION
For the Years Ended September 30, 2014 and 2013

	2014	2013
Cumulative Results of Operations		
Beginning Balance	$ 8,202,332	$ 34,706,575
Budgetary Financing Sources		
Appropriations Used	1,235,297,710	1,259,270,279
Nonexchange Revenue	33,950	36,450
Donations	-	150
Other Adjustments	-	159,789
Other Financing Sources		
Imputed Financing from Costs Absorbed by Others (Note 15)	241,196,971	231,388,782
Other Adjustments	(366,910)	(334,203)
Total Financing Sources	1,476,161,721	1,490,521,247
Net Cost of Operations	(1,477,093,561)	(1,517,025,490)
Net Change	(931,840)	(26,504,243)
Total Cumulative Results of Operations	**$ 7,270,492**	**$ 8,202,332**
Unexpended Appropriations		
Beginning Balance	$ 159,014,711	$ 148,024,167
Budgetary Financing Sources		
Appropriations Received	1,295,494,000	1,340,438,000
Appropriations Transferred-In/Out	-	(3,037,202)
Other Adjustments	(1,973,217)	(67,139,975)
Appropriations Used	(1,235,297,710)	(1,259,270,279)
Total Budgetary Financing Sources	58,223,073	10,990,544
Total Unexpended Appropriations	**$ 217,237,784**	**$ 159,014,711**
Net Position	**$ 224,508,276**	**$ 167,217,043**

COMBINED STATEMENTS OF BUDGETARY RESOURCES
For the Years Ended September 30, 2014 and 2013

	2014	2013
Budgetary Resources		
Unobligated balance brought forward, Oct 1	$ 140,882,286	$ 127,694,618
Recoveries of prior year unpaid obligations	2,236,360	2,386,466
Other changes in unobligated balance	(1,973,217)	(5,205,855)
Unobligated balance from prior year budget authority, net	141,145,429	124,875,229
Appropriations (discretionary and mandatory)	1,295,494,000	1,275,626,467
Spending authority from offsetting collections (discretionary and mandatory)	25,105,864	24,658,251
Total budgetary resources	**$ 1,461,745,293**	**$ 1,425,159,947**
Status of Budgetary Resources		
Obligations incurred	$ 1,268,889,233	$ 1,284,277,661
Unobligated balance, end of year:		
Exempt from apportionment	182,011,041	138,724,631
Unapportioned	10,845,019	2,157,655
Total unobligated balance, end of year:	192,856,060	140,882,286
Total budgetary resources	**$ 1,461,745,293**	**$ 1,425,159,947**
Change in Obligated Balance		
Unpaid Obligations		
Unpaid Obligations, brought forward, Oct 1	$ 77,226,086	$ 88,480,376
Obligations incurred	1,268,889,233	1,284,277,661
Outlays (gross)	(1,258,174,482)	(1,293,145,485)
Recoveries of prior year unpaid obligations	(2,236,360)	(2,386,466)
Unpaid obligations September 30, 2014	85,704,477	77,226,086
Memorandum (non-add) entries		
Obligated balance, start of year	$ 77,226,086	$ 88,480,376
Obligated balance, September 30, 2014	$ 85,704,477	$ 77,226,086
Budget Authority and Outlays, Net		
Budget authority, gross (discretionary and mandatory)	$ 1,320,599,864	$ 1,300,284,718
Actual offsetting collections (discretionary and mandatory)	(25,105,864)	(24,658,251)
Budget authority, net (discretionary and mandatory)	**$ 1,295,494,000**	**$ 1,275,626,467**
Outlays, gross (discretionary and mandatory)	$ 1,258,174,482	$ 1,293,145,485
Actual offsetting collections (discretionary and mandatory)	(25,105,864)	(24,658,251)
Outlays, net (discretionary and mandatory)	1,233,068,618	1,268,487,234
Agency outlays, net (discretionary and mandatory)	**$ 1,233,068,618**	**$ 1,268,487,234**

Notes *to the* Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The U.S. House of Representatives (House) is one of two separate legislative chambers that comprise the Congress of the United States. The other is the U.S. Senate (Senate). All lawmaking powers of the Federal government are given to the Congress under Article I of the Constitution of the United States. The House and Senate jointly agree on a budget for the Legislative Branch and submit it to the President of the United States. The Members of the House serve two-year terms of office, which coincide with the sequential numbering of the entire Congress.

To help carry out its constitutional duties, the House creates committees of Members and assigns them responsibility for gathering information, identifying policy problems, proposing solutions, and reporting bills to the full chamber for consideration. The House elects and appoints Officers and officials to administer both legislative and non-legislative functions, which support the institution and its Members in carrying out its legislative duties. The financial statements of the House provide financial information on the activities of all entities, which are subject to the authority vested in the House by the U.S. Constitution, public laws, and rules and regulations adopted by the membership of the House.

These financial statements reflect the organizational structure of the House under the 113th Congress. The fiscal year 2014 financial statements are comprised of two programs: Legislative Activities and Revolving Funds.

Legislative Activities

Legislative Activities consist of all financial activity related to the operations of all Member Offices, both in Washington, D.C. and Congressional districts; all Committees both Standing and Special and Select; Leadership Offices; House Officers and Offices and Joint Functions that the House shares with the Senate including the Attending Physician and Joint Committee on Taxation.

House **Members** are elected from congressional districts of approximately equal population. The financial information aggregates transactions of the Member districts and Washington, D.C. offices, and includes 435 Representatives; five Delegates, one each, from the District of Columbia, Guam, Virgin Islands, American Samoa and Northern Mariana Islands; and one Resident Commissioner from Puerto Rico.

The **Committees** financial information aggregates transactions of the Standing and Special and Select Committees of the 113th Congress. Committees are organized at the beginning of each Congress according to their jurisdictional boundaries incorporated in the Rules of the House. The Committees of the House under the 113th Congress are:

- Committee on Agriculture
- Committee on Appropriations
- Committee on Armed Services
- Committee on the Budget
- Committee on Education and the Workforce
- Committee on Energy and Commerce
- Committee on Ethics
- Committee on Financial Services
- Committee on Foreign Affairs
- Committee on Homeland Security
- Committee on House Administration
- Committee on the Judiciary
- Committee on Natural Resources
- Committee on Oversight and Government Reform
- Committee on Rules
- Committee on Science, Space, and Technology
- Committee on Small Business
- Committee on Transportation and Infrastructure
- Committee on Veterans' Affairs
- Committee on Ways and Means
- Permanent Select Committee on Intelligence
- Select Committee on Benghazi

The House **Leadership Offices** financial information aggregates transactions of:

- Speaker of the House
- Majority and Minority Leaders
- Majority and Minority Whips
- Party Steering Committees, Caucus or Conference, which consist of Representatives of the same political party

The **Officers and Legislative Offices** financial information aggregates transactions of all legislative support and administrative functions provided to Members, Committees, and Leadership offices, including:

- Chaplain
- Chief Administrative Officer
- Clerk of the House
- Office of Congressional Ethics
- Office of Interparliamentary Affairs
- Office of the General Counsel
- Office of the Historian
- Office of Inspector General
- Office of the Law Revision Counsel
- Office of the Legislative Counsel
- Parliamentarian
- Sergeant at Arms

The **Joint Functions** financial information aggregates transactions of the joint activities of the House and the Senate to the extent that the House funds these functions. House administrative management does not exert direct control over the expenditures of these functions. The joint functions in these statements include:

- Attending Physician
- Joint Economic Committee
- Joint Committee on the Library
- Joint Committee on Printing
- Joint Committee on Taxation

Revolving Funds

Revolving Fund Activities consist of all financial activity related to the operations of all House revolving fund accounts.

The **Revolving Funds** financial information aggregates transactions of:

- House Child Care Center
- House Recording Studio
- House Services
- Net Expenses of Equipment
- Net Expenses of Telecommunications
- Stationery

B. Basis of Consolidation

The consolidated financial statements include the accounts and significant activities of the House. All significant interoffice balances and transactions have been eliminated to arrive at consolidated financial information, except for the Statement of Budgetary Resources which is presented on a combined basis in accordance with the Office of Management and Budget's (OMB) Circular No. A-136, *Financial Reporting Requirements*.

The financial statements do not include legislative agencies that support the House and that receive separate appropriations. These agencies are:

- Architect of the Capitol
- Congressional Budget Office
- Government Accountability Office
- Government Printing Office
- Library of Congress
- U.S. Botanic Garden
- U.S. Capitol Police

Functions jointly shared between the House and the Senate are included in the financial statements to the extent their operations are funded by House appropriations. These consist of:

- Attending Physician
- Joint Economic Committee
- Joint Committee on the Library
- Joint Committee on Printing
- Joint Committee on Taxation

C. Basis of Accounting and Presentation

The financial statements present the financial position, net cost of operations, changes in net position and budgetary resources of the House. These statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) issued by the Federal Accounting Standards Advisory Board (FASAB) and the applicable form and content requirements of the OMB Circular No. A-136, *Financial Reporting Requirements*.

While the House is a Legislative Branch entity, it has elected to incorporate many of the Federal government Executive Branch agency financial management and reporting standards that management deems necessary for the fair presentation of financial statement information.

The House's accounting structure, in accordance with GAAP, utilizes both accrual and budgetary accounting. Under accrual accounting, events are recognized as they occur, as opposed to when cash is received or disbursed. Therefore, revenues are recorded when earned and expenses are recorded when a liability is incurred, without regard to receipt or payment of cash. The budgetary accounting, on the other hand, facilitates compliance with legal constraints on, and controls over, the use of Federal funds.

Throughout these financial statements, assets, liabilities, revenues and costs have been classified according to the type of entity with whom the transactions were made. Intragovernmental assets and liabilities are those from or to other Federal entities. Intragovernmental earned revenues are collections or accruals of revenue from other Federal entities, and intragovernmental costs are payments or accruals to other Federal entities.

While these statements have been prepared from the records of the House in accordance with GAAP and formats prescribed in OMB Circular No. A-136, Financial Reporting Requirements, these statements are in addition to the financial reports used to monitor and control the budgetary resources that are prepared from the same records. These statements should be read with the realization that they are for a component of the U.S. government, a sovereign entity.

D. Fund Balance with the U.S. Treasury and Cash

The U.S. Treasury processes cash receipts and disbursements for the House through its cash management services. Fund Balance with Treasury represents the aggregate amount of House fund accounts with the U.S. Treasury available to pay current liabilities and finance authorized purchases. Fund Balance with Treasury consists of balances for general fund expenditure accounts, revolving funds, and other fund types as of the end of the fiscal year. Fund Balance with Treasury also includes the Congressional Use of Foreign Currency account, which is held at the U.S. Treasury and is maintained and administered by the Department of State on behalf of the House. The House also maintains an account related to Special Fund Receipts and Other Fund Types. Cash and other monetary assets include cash on hand that represents deposits in transit and amounts held in a commercial bank account. *(See Note 2)*

The following describes the type of funds maintained by the House:

General Fund Expenditure Accounts are fund accounts used to record amounts appropriated by Congress for the general support of the Federal government.

Revolving Funds are fund accounts used to record funds authorized by specific provisions of law to finance a continuing cycle of business–type operations. Receipts are credited directly to the revolving fund as offsetting collections and are available for expenditure without further action by Congress.

Special Fund Receipt Accounts are fund accounts used to record receipts from specific sources earmarked by law for specific purposes.

Other Fund Types include General Fund Receipt and Deposit Fund accounts. General Fund Receipt accounts are used to record all receipts not earmarked by law for a specific purpose. These receipts may include miscellaneous recoveries and refunds and fines and penalties. The U.S. Treasury automatically transfers all cash balances in these receipt accounts to the general fund of the Treasury at the end of each fiscal year. Deposit Fund accounts are used to record monies withheld from Federal government payments for goods and services received pending payment; and receipts and disbursements awaiting determination of the proper accounting classification.

E. Accounts Receivable, Net

Accounts Receivable represents amounts due to the House from Federal entities, Members, employees and/or vendors for money, goods, and services less an Allowance for Doubtful Accounts. Accounts Receivable primarily arises from provision of goods and services, commissions, and overpayments. Allowance for Doubtful Accounts is based on an analysis of outstanding accounts, aging methodologies and historical collection experience. Intragovernmental accounts receivable are generally considered to be fully collectible. *(See Note 3)*

F. Inventory and Related Property, Net

Inventory is tangible personal property that is held for sale. The Chief Administrative Office (CAO) Office Supply Service and Gift Shop maintain an inventory of supplies and merchandise purchased for resale to the public. Inventories for sale are valued at the moving weighted average method.

Operating Material and Supplies are tangible personal property to be consumed during normal operations. The CAO Logistics and Support Office maintains inventories of such items as hardwood, carpet, leather, fabric, furniture components, and repair materials purchased by the House for use in its operations. The CAO House Information Resources Office maintains inventories of such items as fiber jumpers to support network connectivity and patch cords to support desktop computers. These items are not for sale and are reflected in the financial statements at an estimated value based on the first in/first out inventory valuation method. *(See Note 4)*

G. General Property and Equipment, Net

General Property and Equipment consists of office and computer equipment, furniture, vehicles, software, assets acquired under capital leases, leasehold improvements and work in process. The House capitalizes property and equipment when the acquisition cost equals or exceeds an established threshold and has a useful life of two years or more. The costs of such items are recognized as assets when acquired.

Property and equipment are capitalized if the unit acquisition cost is equal to or greater than $25,000 and the item has a useful life of two years or more with the exception of software. Software is capitalized if the unit acquisition cost is equal to or greater than $10,000 and the item has a useful life of two years or more. Work in process consists of capitalized costs associated with assets received, but not placed in service as of the end of the fiscal year.

An appropriate portion of an asset's value is reduced and an expense for depreciation or amortization is recognized over the accounting periods benefited by the asset's use. The House calculates depreciation and amortization expense based on the straight-line method over an asset's estimated useful life. Depreciation expense is applicable to tangible assets such as equipment, furniture, and vehicles. Amortization expense is applicable to intangible assets such as software and capital leases. Assets acquired under capital leases are generally amortized over the lease term. However, if a lease agreement contains a bargain purchase option or otherwise transfers title of the asset to the House, the asset is amortized on the same basis as similar categories of owned assets.

A loss is recognized when the net book value of the asset at the time of disposal exceeds any proceeds received. A gain is recognized when the net book value of the asset at the time of disposal is less than any proceeds received. *(See Note 5)*

The House also entered into capital leases for building structures. Items acquired by capital leases are recorded as House assets because they are structured such that their terms effectively finance the purchase of the item, and such leases convey the benefits and risks of ownership. The House capitalizes a lease if at least one of the following four criteria are met: 1) the lease transfers ownership of the property to the lessee by the end of the lease term; 2) the lease contains an option to purchase the leased property at a bargain price; 3) the lease term is equal to or greater than 75 percent of the estimated economic life of the leased property; or 4) the present value of rental and other minimum lease payments, excluding that portion of the payments representing executory cost, equals or exceeds 90 percent of the fair value of the leased property. The asset and corresponding liability are recorded at the lower of net present value of the minimum lease payments or fair market value at lease inception. The portion of capital lease payments representing imputed interest is expensed as interest on capital leases. *(See Note 9)*

House office buildings and land occupied by Members and employees in Washington, D.C. are under the custody of the Architect of the Capitol (AOC) and are excluded from the House's property and equipment accounts. The House recognizes an imputed cost and related imputed financing source in its financial statements for the costs associated with House office buildings. *(See Notes 1K and 15)*

H. Stewardship Property and Equipment

Stewardship Property, Plant and Equipment (PP&E) includes heritage assets and stewardship land. Heritage assets are unique due to their historical or natural significance; cultural, educational, or artistic importance; or significant architectural characteristics. Heritage assets consist of collection-type heritage assets, such as objects gathered and maintained for exhibition, for example, museum collections, art collections, and library collections; and non-collection-type heritage assets, such as parks, memorials, monuments, and buildings. These assets are expected to be preserved indefinitely. The House's heritage assets are considered collection-type heritage assets and consist primarily of historical artwork and artifacts.

Heritage assets can serve two purposes: a heritage function and a general government operational function. If a heritage asset serves both purposes, but is predominantly used for general government operations, the heritage asset is considered a multi-use heritage asset, which is included in general PP&E on the Balance Sheet. The House office buildings and land occupied and used by Members and employees in Washington, D.C. meet the criteria of multi-use heritage assets. Stewardship responsibility for these multi-use heritage assets is maintained by the AOC and disclosed on its financial statements. The House does not possess multi-use heritage assets or stewardship land.

Heritage assets are disclosed on the Balance Sheet as a note reference with no asset amount shown, and are generally not included in the general PP&E. The cost of improving, reconstructing, or renovating heritage assets is recognized as an expense in the period incurred. Similarly, the cost to acquire or construct a heritage asset is recognized as an expense in the period incurred. Due to their nature, matching costs with specific periods would not be meaningful. *(See Note 6 and Required Supplementary Information)*

I. Advances and Prepayments

Advances and prepayments are transfers of cash to cover future expenses or the acquisition of assets. These goods and/or services are delivered in increments that span several months. Advance payments are recorded as assets and consist of payments to Federal government entities for contractual services and for mailings that require address corrections or additional postage. As the goods and/or services are rendered, the Advance account is drawn down and the appropriate asset or expense is recognized. Prepayments are payments made in advance of the receipt of goods and services. Prepayments include payments for subscriptions and are initially recorded as expenses. At year-end, all such payments made for the current year are analyzed to determine the proper expense and prepayment amounts applicable to the current accounting period for financial statement purposes. The House also prepays for health plans under Public Law 111-148, Patient Protection and Affordable Care Act (ACA). The Advance account is drawn down and an expense is recognized when invoices are received for health care insurance premiums. *(See Note 7)*

J. Liabilities

Liabilities represent the probable future outflow or other sacrifice of resources as a result of past transactions or events. Liabilities are amounts due to others as a result of items received, services rendered, expenses incurred, assets acquired and construction or work in process regardless of whether invoices have been received. Liabilities also represent amounts received that have not yet been earned. Liabilities covered by budgetary resources are liabilities incurred that will be covered by available budgetary resources encompassing not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year. Liabilities not covered by budgetary resources include unfunded liabilities incurred for which revenues or other sources of funds necessary to pay the liabilities have not been made available through congressional appropriations or current earnings of the reporting entity. *(See Note 8)*

The House's liabilities include:

Accounts Payable that represent amounts owed for the cost of goods and services received but not yet paid. The House estimates certain accounts payable balances based on methodology that encompasses historical data and the first two month's financial activity of the subsequent fiscal year.

Advances from Others that represent advance payments received from other Federal government entities for shared services, in advance of the delivery of these services. As the services are rendered the Advances from Others account is drawn down and the appropriate revenue is recognized. The House received payments in advance of receipt of shared services from the Library of Congress.

Capital Lease Liability that represents the portion recorded at the lower of net present value of the minimum lease payments or fair market value at lease inception.

Actuarial Federal Employees' Compensation Act Liabilities that represents an estimate based on actuarial calculations using historical payment patterns to predict what costs will be incurred in the future. The liability is adjusted annually by applying actuarial procedures. Any upward or downward adjustment to the liability is recorded as an annual increase or decrease to benefits expense. The

House calculated the actuarial liability based on a model developed by the U.S. Department of Labor (DOL). The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for the benefit of House employees under FECA are administered by DOL, which pays the initial claim and obtains reimbursement from the House.

Accrued Payroll and Benefits and Annual Leave that represent both a funded and unfunded liability. A funded liability has a corresponding appropriation to liquidate it. An unfunded liability is a liability that is incurred during the current or prior year but is not payable until a future fiscal year for which an appropriation has not yet been received.

Accrued payroll and benefits include salaries and associated benefits earned in the current fiscal year and paid in the subsequent fiscal year.

Annual leave for the House Officers, the Inspector General and their employees is accrued as earned, and the liability is reduced as leave is taken. The accrued annual leave balances are calculated according to Public Law 104-53, November 19, 1995, Sec. 109 Stat. 522 (i.e., the lesser of the employee's monthly pay or the monthly pay divided by 30 days and multiplied by the number of days of accrued leave). The House utilizes actual hours to calculate the liability. Sick and other types of paid leave are expensed as they are taken. The Members' and Committees' Congressional Handbooks allow offices to adopt personnel policies that provide for the accrual of annual leave and use of such leave. Leadership and other select House offices have also adopted similar policies. While leave is tracked from one pay period to the next, a consistent policy has not been formally adopted by these entities regarding the accrual and payment of leave time. Therefore, an accrued leave liability for Members, Committees, Leadership and select House offices is estimated on the financial statements. In FY 2014, the estimate was based on a three-year average of actual annual leave paid.

Other Intragovernmental Liabilities that represent the Accrued workers' compensation amount billed by DOL that will be paid in subsequent fiscal years and Unemployment compensation amounts owed to DOL.

Other Public Liabilities that represent amounts held pending proper accounting disposition or amounts withheld from payments for goods and services received pending payment.

K. Revenue and Other Financing Sources

Appropriations

The House finances most of its operations through congressional appropriations of budget authority. To the extent that revenue generated by some House entities does not cover expenses, appropriations are required. The House receives annual, multi-year and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. A financing source is recognized for these appropriated funds received, less appropriations transferred or not available through rescission or cancellation. The House usually receives the full amount of its appropriation at the beginning of each fiscal year as stated in the public law.

Exchange and Non-Exchange Revenue

The House classifies revenues as either exchange revenue or non-exchange revenue. Exchange revenue is derived from transactions in which both the government and the other party receive value; and is recognized when goods have been delivered or services rendered. The House's exchange revenue consists of (1) sales of goods to the public for Office Supply Service and Gift Shop sales; (2) sales of services to the public for child care fees, photography sales, postal fees and Attending Physician fees; and (3) other revenue for vendor commissions. Non-exchange revenue is derived from the government's sovereign right to demand payment from the public (e.g., taxes, duties, fines, and penalties) but also includes donations. The House reports non-exchange revenue collected from donations for the Reduction of Public Debt and Ethics Fines.

Intragovernmental Costs and Earned Revenues

The House earns intragovernmental revenue by providing mail and telecommunication services primarily to other legislative entities. Intragovernmental costs and exchange revenue represent transactions made between two reporting entities within the Federal government and are disclosed separately from costs and exchange revenue with the public (exchange transactions made between the reporting entity and a non-Federal entity). Intragovernmental expenses relate to the source of goods and services purchased by the reporting entity and not to the classification of related revenue. The purpose of this classification is to enable the Federal government to provide consolidated financial statements, and not to match public and intragovernmental revenue with costs that are incurred to produce public and intragovernmental revenue. The net cost of the House's operations includes gross costs incurred by the House less any exchange revenue earned from House activities.

Imputed Financing from Cost Absorbed by Others (and Related Imputed Costs)

The House recognizes the amount of cost incurred by a Federal entity for goods or services provided and paid for in total, or in part, by other Federal entities. Since the cost is not actually reimbursed to these Federal entities, an imputed financing source is also recognized to offset the costs financed by the entities. The imputed cost and imputed financing source for costs are associated with the occupancy of the U.S. Capitol, House office buildings, and the O'Neill Federal building under the custody of the AOC; and the Federal Employee and Veterans' Benefits. The imputed cost is recognized in the Statement of Net Cost and the imputed financing source is recognized in the Statement of Changes in Net Position.

Occupancy Cost:
The House recognizes an occupancy cost for the U.S. Capitol, House office buildings, and the O'Neill Federal building under the custody of the AOC that are occupied by Members and staff in Washington, D.C. The House office buildings are comprised of the Cannon, Ford, Longworth, Rayburn, and other buildings and facilities. The AOC receives an appropriation for the maintenance, care and operations of the House office buildings, facilities and grounds; and costs associated with the acquisition and maintenance of the land and buildings is accounted for by the AOC. A separate appropriation is received for the O'Neill Federal building which is included in the occupancy cost.

The imputed occupancy cost for the U.S. Capitol and House office buildings is calculated by multiplying the gross square footage of the buildings by the estimated per square foot value. A common area factor of 11% was applied to the gross square footage. The industry standard rental rate increase of 1.7% over FY 2013 is reflected in the FY 2014 occupancy costs. Actual cost paid by the AOC for the O'Neill Federal building is included in the occupancy cost.

Federal Employee and Veterans' Benefits Cost:
Federal-employing entities recognize their share of the cost of providing future pension benefits to eligible employees at the time the employees' services are rendered. The pension expense recognized in the Statement of Net Cost is the current service cost for House employees less the amount contributed by the employee.

The measurement of the service cost requires the use of actuarial cost methods and assumptions, with the factors applied by the House provided by the Office of Personnel Management (OPM), the Federal agency that administers the plan. The excess of the recognized pension expense over the amount contributed by the House represents the amount being financed directly through the Civil Service Retirement and Disability Fund administered by OPM.

The House does not receive an appropriation to fund this cost. Therefore, this portion of the pension cost is considered an imputed financing source to the House, and is included in the Imputed Financing from Costs Absorbed by Others on the Statement of Changes in Net Position.

Federal-employing entities also recognize a current period expense for the future cost of post-retirement health benefits and life insurance for its employees while they are still employed. This cost is included in the Statement of Net Cost. Employees and the House do not currently make contributions to fund these future benefits, and the House does not receive an appropriation to fund this expense. Therefore, this portion of the post-retirement health benefits and life insurance is considered an imputed financing source to the House, and is included in Imputed Financing from Costs Absorbed by Others on the Statement of Changes in Net Position. *(See Note 15)*

L. Personnel and Benefits Compensation

House Members and employees are covered by either Civil Service Retirement System (CSRS), the Federal Employees Retirement System (FERS), the Federal Employees Retirement System – Revised Annuity Employee (FERS-RAE) or the Federal Employees Retirement System – Further Revised Annuity Employee (FERS-FRAE). Both Members and employees are eligible for retirement benefits under CSRS, FERS, FERS-RAE or FERS-FRAE.

With few exceptions, employees of the House are covered by one of the following retirement programs:

1. Employees hired before January 1, 1984, and who have been employed continuously without a break in service of more than 365 days since December 31, 1983 are covered under CSRS.
2. Employees hired on or after January 1, 1984, and before January 1, 2013, are covered under FERS.
3. Employees hired on or after January 1, 2013, and before January 1, 2014, are covered under FERS-RAE.
4. Employees hired on or after January 1, 2014, and who would normally be placed under FERS-RAE, are covered under FERS-FRAE.

A CSRS basic annuity, unreduced for age, debts to the fund, or survivor's benefits, is calculated by multiplying the highest 3 consecutive years' average salary by a percentage factor which is based on the length of Federal service. However, Members' benefits are different from those of employees. For example, a Member covered by CSRS is eligible to receive unreduced retirement benefits at age 60 if he or she has 10 years of Member service. An employee is eligible to receive reduced benefits at age 50 with 20 years of service or at any age with 25 years of service. The FERS, FERS-RAE and FERS-FRAE basic benefit plans provide the same benefits for either Members or employees.

CSRS employees contribute a portion of their earnings to the Civil Service Retirement Fund. The House also contributes an amount to this fund. FERS, FERS-RAE and FERS-FRAE employees, in addition to paying Social Security, contribute a portion of their base earnings to the FERS, FERS-RAE and FERS-FRAE retirement funds. The House also contributes an amount toward the FERS, FERS-RAE and FERS-FRAE retirement and Social Security funds.

FERS, FERS-RAE, FERS-FRAE and CSRS employees can contribute to the Thrift Savings Plan (TSP) up to the IRS limit. FERS, FERS-RAE and FERS-FRAE employees also receive an automatic one percent House-paid contribution, as well as an additional House matching TSP contribution up to five percent of their basic pay. CSRS employee contributions to TSP do not receive matching House contributions. FERS, FERS-RAE and FERS-FRAE employees could receive benefits from the basic FERS annuity, the Social Security System, and TSP. CSRS employees could receive benefits from CSRS and TSP. *(See Note 12)* Post-employment benefits, health, and life insurance are not reported by the House, rather they are reported by OPM.

M. Net Position

Unexpended Appropriations

Unexpended Appropriations includes the portion of the House's appropriations represented by undelivered orders and unobligated balances. The amount of unexpended appropriations reported on the Balance Sheet should equal the amount of unexpended appropriations reported on the Statement of Changes in Net Position.

Appropriations are not considered expended until goods have been received or services have been rendered. The House has single, multi and no-year appropriations. Multi-year appropriations consist of 15-month, 18-month, and 27-month multi-year funding. Funds cancel two years after expiration and are no longer available for obligation or expenditure for any purpose and are returned to the U.S. Treasury.

Cumulative Results of Operations

Cumulative Results of Operations includes the net results of operations since inception plus the cumulative amount of prior period adjustments. The amount of cumulative results of operations reported on the Balance Sheet should equal the amount of cumulative results of operations reported on the Statement of Changes in Net Position.

N. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the amount of revenue and expense reported during the period. Actual results could differ from those estimates.

NOTE 2 – FUND BALANCE WITH THE U.S. TREASURY, CASH AND OTHER MONETARY ASSETS

Fund Balances with Treasury (FBWT) as of September 30, 2014 and 2013:

Fund Balance with Treasury		**2014**		**2013**
General and Other Funds				
House maintained	$	224,580,024	$	158,882,728
Congressional Use of Foreign Currency		22,589,531		29,761,306
Total General and Other Funds		247,169,555		188,644,034
Revolving Funds		31,412,967		28,629,626
Total	**$**	**278,582,522**	**$**	**217,273,660**

Status of Fund Balance with Treasury as of September 30, 2014 and 2013:

Status Balance with Treasury		**2014**		**2013**
Unobligated Balance				
Available	$	182,011,041	$	138,724,631
Unavailable		10,845,019		2,157,655
Obligated Balance not yet Disbursed		85,704,477		77,226,086
Other Funds		21,985		(834,712)
Total	**$**	**278,582,522**	**$**	**217,273,660**

Other funds represent deposit funds held at the U.S. Treasury.

Cash and Other Monetary Assets as of September 30, 2014 and 2013:

Cash and Other Monetary Assets		**2014**		**2013**
Cash on Hand	$	2,655	$	3,782
Total	**$**	**2,655**	**$**	**3,782**

Funds that were canceled and returned to the U.S. Treasury as of September 30, 2014 and 2013:

Appropriations		**2014**		**2013**
2013 (single year)	$	523,128	$	-
2012 (single year)		1,450,089		-
2011 (single year)		-		2,054,950
2010/2011 (multi-year)		-		6,266
2009/2011 (multi-year)		-		2,317
Total	**$**	**1,973,217**	**$**	**2,063,533**

NOTE 3 – ACCOUNTS RECEIVABLE, NET

Accounts Receivable, Net as of September 30, 2014 and 2013:

Accounts Receivable, Net	2014	2013
Intragovernmental		
Accounts Receivable	$ 66,614	$ 63,034
Total Intragovernmental	66,614	63,034
With the Public		
Accounts Receivable	399,537	536,280
Allowance for Doubtful Accounts	(28,654)	(42,780)
Total With the Public	370,883	493,500
Total	**$ 437,497**	**$ 556,534**

NOTE 4 – INVENTORY AND RELATED PROPERTY, NET

Inventory and Related Property, Net as of September 30, 2014 and 2013:

Inventory and Related Property, Net	2014	2013
Operating Materials and Supplies Held for Use	$ 401,479	$ 508,252
Inventory Purchased for Resale	795,744	814,756
Total	**$ 1,197,223**	**$ 1,323,008**

NOTE 5 – GENERAL PROPERTY AND EQUIPMENT, NET

General Property and Equipment, Net as of September 30, 2014 and the related depreciation and amortization expense:

2014 Classes of Property and Equipment	Service Life (Years)	Acquisition Cost	Depreciation	Net Book Value	Depreciation Expense
Work in Process	N/A	$ 1,099,623	$ -	$ 1,099,623	$ -
Computer Software in Development	N/A	-	-	-	-
Computer Software and Hardware	3/5	86,970,444	77,104,142	9,866,302	9,377,376
Equipment	5	45,077,786	37,538,706	7,539,080	5,796,580
Motor Vehicles	5	10,532,139	10,510,499	21,640	66,085
Assets Under Capital Lease	10	-	-	-	33,862
Furnishings and Other Equipment	10	1,240,517	827,585	412,932	72,754
Leasehold Improvements	10	9,085,375	8,816,522	268,853	210,352
Total		**$ 154,005,884**	**$ 134,797,454**	**$ 19,208,430**	**$ 15,557,009**

General Property and Equipment, Net as of September 30, 2013 and the related depreciation and amortization expense:

2013 Classes of Property and Equipment	Service Life (Years)	Acquisition Cost (Restated)	Depreciation (Restated)	Net Book Value	Depreciation Expense
Work in Process	N/A	$ 1,001,079	$ -	$ 1,001,079	$ -
Computer Software in Development	N/A	3,344,500	-	3,344,500	-
Computer Software and Hardware	3/5	77,832,439	67,419,027	10,413,412	15,418,507
Equipment	5	44,291,945	33,340,556	10,951,389	6,317,902
Motor Vehicles	5	10,532,139	10,444,415	87,724	91,155
Assets Under Capital Lease	10	1,354,473	1,320,611	33,862	135,447
Furnishings and Other Equipment	10	1,148,767	663,081	485,686	73,304
Leasehold Improvements	10	9,085,375	8,606,170	479,205	227,514
Total		**$ 148,590,717**	**$ 121,793,860**	**$ 26,796,857**	**$ 22,263,829**

See Note 20 – *Restatements* for additional information on the restatement.

NOTE 6 – STEWARDSHIP PROPERTY AND EQUIPMENT

Physical counts for collection-type heritage assets as of September 30, 2014 and 2013:

Hertiage Assests	2013	Additions	Withdrawals	2014
Artwork	323	11	-	334
Artifacts	5,189	548	6	5,731
Total	**5,512**	559	6	**6,065**

The House's heritage assets are directly related to its mission to document and preserve the legislative integrity and traditions of the institution. Permanent authority for the Clerk of the House originated in the opening days of the First Congress, when John Beckley was elected Clerk on April 1, 1789, pursuant to Article I of the Constitution: "The House of Representatives shall chuse (sic) their Speaker and other Officers…." The Clerk's responsibilities to document and preserve the activities of Congress have grown over the centuries, and are found in Rules VII and XI of the House, and by the Rules of the House of Representatives Fine Arts Board, established via 40 USC Sec. 188c (Public Law 100-696 [Title X]).

The House's stewardship responsibility for its heritage assets includes those in or associated with the House, its legislative history, Members and institutional heritage. Under the provisions of the House of Representatives Fine Arts Board, the Clerk is responsible for the administration, maintenance, and display of the works of fine art and other similar property of the Congress for display or for other use in the House wing of the Capitol, the House Office Buildings, or any other location under the control of the House in accordance with Public Law 100-696. The House's heritage assets are curated by the House Curator in the Clerk's Office of History and Preservation. The House Curator maintains records, both paper and electronic, for works of art and artifacts. Staff and resources are devoted to the conservation and preservation of heritage assets, using professional standards established by the American Institute for Conservation and the National Archives and Records Administration. These standards provide for cleaning, storing, displaying, handling and protecting the House's heritage assets.

The House acquires heritage assets by purchase, transfer from Federal entities, gift, or by provision of federal law. Prior to acquiring these assets, the House Curator, on behalf of the Clerk and the House of Representatives Fine Art Board, ensures they meet minimum standards as required by the American Association of Museum's ethics guidelines and standards and best practices for accessioning of objects into museum collections. The House's collections continue to increase as it acquires additional assets and few items have been retired or disposed of to date.

Deaccessioning of objects and related withdrawals or disposals will only occur if the House Curator, in accordance with the American Association of Museum's guidelines and best practices, determines the asset is in irretrievable condition; does not meet the needs of the collection; or withdraws due to exchange or gift of unwanted or duplicate copies. Staff ensure that heritage assets remain in good condition, carefully preserving and saving these treasures for present and future generations.

The Required Supplementary Information section of this report provides additional information on the condition of stewardship heritage assets.

Descriptions of the types of heritage assets are:

Artwork

The House's artwork encompasses oil and acrylic paintings, works on paper, and sculpture in bronze, marble and other media.

Artifacts

The House's historical artifacts include objects in all media, including but not limited to paper, metal, plaster, wood, textile and stone.

NOTE 7 – ADVANCES AND PREPAYMENTS

Status of Fund Balance with Treasury as of September 30, 2014 and 2013:

Advances and Repayments	**2014**	**2013**
Intragovernmental	$ 169,759	$ 10,733
Public	4,639,201	5,839,165
Total	**$ 4,808,960**	**$ 5,849,898**

NOTE 8 – LIABILITIES

Liabilities are classified as either current or non-current. Current liabilities refer to liabilities that are expected to settle within 12 months of the Balance Sheet date.

Non-current refers to liabilities that are expected to settle more than 12 months of the Balance Sheet date.

Liabilities covered and not covered by budgetary resources as of September 30, 2014:

Liabilities	**Liabilities Covered by Budgetary Resources**		**Liabilities Not Covered by Budgetary Resources**		
	Current	**Non-Current**	**Current**	**Non-Current**	**2014**
Intragovernmental Liabilities					
Accounts Payable	$ 4,529,826	$ -	$ -	$ -	$ 4,529,826
Advances from Others	603,219	-	-	-	603,219
Capital Lease Liability	-	-	-	-	-
	5,133,045	-	-	-	5,133,045
Other Liabilities					
Accrued Benefits	1,462,263	-	-	-	1,462,263
Accrued Workers' Compensation	556,003	-	-	-	556,003
Unemployment Compensation	200,000	-	-	-	200,000
Deposit Liability - Federal	(15,526)	-	-	-	(15,526)
Liabilities for Non-Entity Assets	158,858	-	-	-	158,858
Total Other Liabilities	2,361,598	-	-	-	2,361,598
Total Intragovernmental Liabilities	7,494,643	-	-	-	7,494,643
Public Liabilities					
Accounts Payable	23,158,599	-	-	-	23,158,599
Actuarial FECA Liability	-	-	-	35,349,785	35,349,785
Accrued Payroll and Benefits	6,522,459	-	-	-	6,522,459
Unfunded Accrued Annual Leave	-	-	-	7,125,969	7,125,969
Other Liabilities	77,556	-	-	-	77,556
Total Public Liabilities	29,758,614	-	-	42,475,754	72,234,368
Total	**$ 37,253,257**	**$ -**	**$ -**	**$ 42,475,754**	**$ 79,729,011**

Liabilities covered and not covered by budgetary resources as of September 30, 2013:

Liabilities	Liabilities Covered by Budgetary Resources		Liabilities Not Covered by Budgetary Resources		
	Current	Non-Current	Current	Non-Current	2013
Intragovernmental Liabilities					
Accounts Payable	$ 4,476,022	$ -	$ -	$ -	$ 4,476,022
Advances from Others	197,209	-	-	-	197,209
Capital Lease Liability	72,862	-	-	-	72,862
	4,746,093	-	-	-	4,746,093
Other Liabilities					
Accrued Benefits	1,679,783	-	-	-	1,679,783
Accrued Workers' Compensation	487,583	-	-	-	487,583
Unemployment Compensation	887,040	-	-	-	887,040
Liabilities for Non-Entity Assets	(888,752)	-	-	-	(888,752)
Total Other Liabilities	2,165,654	-	-	-	2,165,654
Total Intragovernmental Liabilities	6,911,747	-	-	-	6,911,747
Public Liabilities					
Accounts Payable	23,997,401	-	-	-	23,997,401
Actuarial FECA Liability	-	-	-	38,506,935	38,506,935
Accrued Payroll and Benefits	6,989,142	-	-	-	6,989,142
Unfunded Accrued Annual Leave	-	-	-	7,919,488	7,919,488
Other Liabilities	261,983	-	-	-	261,983
Total Public Liabilities	31,248,526	-	-	46,426,423	77,674,949
Total	**$ 38,160,273**	**$ -**	**$ -**	**$ 46,426,423**	**$ 84,586,696**

NOTE 9 – LEASE COMMITMENTS

CAPITAL LEASES: Assets Under Capital Lease as of September 30, 2014 and 2013:

Summary of Assestes Under Capital Lease	2014	2013
Buildings Structures	$ -	$ 1,354,473
Accumulated Depreciation	-	(1,320,611)
Total	**$ -**	**$ 33,862**

CAPITAL LEASES: Future Capital Lease Payments Due as of September 30, 2013:

Year	Building Structures
2014	$ 75,154
2015	-
2016	-
2017	-
Thereafter	-
Total Future Capital Lease Payments	75,154
Less: Imputed Interest	(2,292)
Less: Executory Costs	-
Net Capital Lease Liability	**$ 72,862**

The House's capital leases for building structures expired in December 2013. Pursuant to terms negotiated in FY 2014, the House classified the new lease as an operating lease. The schedules in Note 9 have been updated to reflect this action. The occupancy agreement for the building structures lease includes multi-year funding obligations of the tenant that state the agreement is cancelable upon 30 days written notice. Space relinquishment rights and obligations state the agreement is cancelable by providing 30 days written notice to the U.S. General Services Administration. The House also agrees that its right to not renew the lease for a fiscal year is limited solely to the House not obtaining an appropriation for the year in an amount equal to or in excess of lease payments for the year. The House may terminate the agreement in whole or in part as prescribed in the agreed upon settlement methodology.

OPERATING LEASES: Future Operating Lease Payments Due as of September 30, 2014:

Year	Building Structures	Vehicles	Office Space	Parking	Total
2015	$ 494,406	$ 243,824	$ 5,709,802	$ 80,395	$ 6,528,427
2016	505,445	47,073	259,992	32,003	844,513
2017	516,740	4,361	44,717	4,078	569,896
2018	528,299	-	-	-	528,299
2019	540,127	-	-	-	540,127
Thereafter	2,429,685	-	-	-	2,429,685
Total	**$ 5,014,702**	**$ 295,258**	**$ 6,014,511**	**$ 116,476**	**$ 11,440,947**

OPERATING LEASES: Future Operating Lease Payments Due as of September 30, 2013:

Year	Building Structures	Vehicles	Office Space	Parking	Total
2014	$ -	$ 500,467	$ 21,507,323	$ 154,120	$ 22,161,910
2015	-	110,789	5,829,720	72,072	6,012,581
Total	**$ -**	**$ 611,256**	**$ 27,337,043**	**$ 226,192**	**$ 28,174,491**

The House maintains operating leases for building structures, vehicles and district office space and parking. The lease agreements are in accordance with House rules and regulations and agreed upon vendor terms and conditions. In accordance with the Members' Congressional Handbook, the House requires that leases entered into by Members for space be no longer than the elected term of the Member. Members and Officers also enter into leases to rent vehicles for official business purposes. A Member may lease a vehicle for a period that exceeds the current congressional term, but the Member remains personally responsible for the lease liability if service to the House concludes prior to lease termination.

The House enters into operating leases for building structures, temporary usage of office space, vehicles, software, computers and other equipment. Leases that convey the benefits and risks of ownership, but do not meet House capitalization criteria are also recognized as operating leases. Operating lease payments are recorded as expenses. Future operating lease payments are not accrued as liabilities. Members may lease office space in their districts through the U.S. General Services Administration or may directly lease space from the private sector.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Contingencies should be recognized as a liability when a past transaction or event has occurred, a future outflow or other sacrifice of resources is probable, and the related future outflow or sacrifice of resources is measurable. The House is currently involved in one legal matter where the sacrifice of resources is probable and the range of the loss cannot be estimated; and six legal matters where the sacrifice of resources are reasonably possible, but the Office of General Counsel cannot predict the likelihood of an unfavorable outcome or the range of the loss.

NOTE 11 – INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE

Intragovernmental Costs and Exchange Revenue as of September 30, 2014 and 2013:

Intragovernmental Costs and Exchange Revenue	2014	2013
Legislative Activities		
Intragovernmental Costs	$ 522,658,990	$ 525,236,959
Public Costs	962,568,515	995,029,611
Total Costs	1,485,227,505	1,520,266,570
Intragovernmental Earned Revenue	(4,808,424)	(3,142,500)
Public Earned Revenue	(554,109)	(414,767)
Total Earned Revenue	(5,362,533)	(3,557,267)
Net Program Costs	1,479,864,972	1,516,709,303
Revolving Funds		
Intragovernmental Costs	152,393	159,284
Public Costs	1,812,658	5,423,654
Total Costs	1,965,051	5,582,938
Intragovernmental Earned Revenue	(1,957,655)	(2,005,370)
Public Earned Revenue	(2,778,807)	(3,261,381)
Total Earned Revenue	(4,736,462)	(5,266,751)
Net Program Costs	(2,771,411)	316,187
Total		
Intragovernmental Costs	522,811,383	525,396,243
Public Costs	964,381,173	1,000,453,265
Total Costs	1,487,192,556	1,525,849,508
Intragovernmental Earned Revenue	(6,766,079)	(5,147,870)
Public Earned Revenue	(3,332,916)	(3,676,148)
Total Earned Revenue	(10,098,995)	(8,824,018)
Net Cost of Operations	**$ 1,477,093,561**	**$ 1,517,025,490**

NOTE 12 – PERSONNEL AND BENEFITS COMPENSATION

Personnel and Benefits Compensation as of September 30, 2014 and 2013:

Member and Employee Personnel and Benefits Compensation	2014	2013
Personnel Compensation	$ 731,485,118	$ 752,241,955
Retirement Plan Contributions	140,066,298	147,373,582
Social Security	50,799,657	51,614,809
Health Insurance	46,845,084	53,400,316
Student Loan/Fitness Center Programs	14,542,300	14,168,844
Unemployment and Workers' Compensation	2,718,388	6,449,496
Transit Benefits	2,322,577	2,392,215
Life Insurance	1,081,786	1,131,527
Death Benefits	901,349	1,495,249
Annual Leave	(793,519)	527,985
Allowances	25,000	25,000
Workers' Compensation Actuarial Adjustment	(3,157,150)	12,537,701
Total	**$ 986,836,888**	**$ 1,043,358,679**

NOTE 13 – EMERGENCY PREPAREDNESS

The House continues to develop contingency plans and capabilities to ensure the continuation of essential House Operations in the event of a disruptive event. Approximately $16 million and $15 million were expended in 2014 and 2013, respectively.

NOTE 14 – EXCHANGE REVENUES

In certain cases, the prices charged by the House for the sale of goods and services are set by House rules and regulations, which for program and other reasons may not represent full cost. In other cases, prices set for goods and services are intended to recover the full costs incurred by these activities (e.g., child care fees, postal fees, and Gift Shop sales to the public).

NOTE 15 – IMPUTED FINANCING FROM COST ABSORBED BY OTHERS

The House must recognize an imputed cost and imputed financing source for costs associated with the occupancy of the U.S. Capitol, House office buildings, and the O'Neill Federal building; and Federal Employee and Veterans' Benefits. During FY 2014, the House offices expanded to the O'Neill Federal building due to planned renovations in the Cannon office building. The imputed cost is recognized in the Statement of Net Cost and the imputed financing source is recognized in the Statement of Changes in Net Position.

Imputed Financing from Cost absorbed by Others as of September 30, 2014 and 2013:

Imputed Cost and Financing Source	2014	2013
Occupancy Costs	$ 176,042,979	$ 164,853,737
Federal Employee and Veteran's Benefits		
Current Service Cost - Federal Employees Health Benefits	33,783,292	40,474,215
Current Service Cost - Federal Pensions	28,764,007	25,950,416
Current Service Cost - Federal Employees Group Life Insurance	106,693	110,414
Total Federal Employee and Veteran's Benefits	62,653,992	66,535,045
Claims to be Paid by the U.S. Treasury's Judgment Fund on behalf of the House	2,500,000	-
Total	**$ 241,196,971**	**$ 231,388,782**

NOTE 16 – UNDELIVERED ORDERS AT THE END OF THE PERIOD

Undelivered Orders represent the amount of paid and unpaid orders for goods and/or services ordered which have not been received.

Undelivered Orders as of September 30, 2014 and 2013:

Undelivered Orders at the End of the Period	2014	2013
Undelivered Orders, Unpaid	$ 49,275,328	$ 38,709,374
Undelivered Orders, Paid	4,808,960	5,849,898
Total	**$ 54,084,288**	**$ 44,559,272**

NOTE 17 – PERMANENT INDEFINITE APPROPRIATIONS

A permanent and indefinite appropriation is a standing appropriation which, once made, is always available for specified purposes and does not require repeated action by Congress to authorize its use. Legislation authorizing an agency to retain and use offsetting receipts tends to be permanent; if so, it is a form of permanent appropriation. This appropriation is for an unspecified amount of money; and may appropriate all or part of the receipts from certain sources, the specific amount of which is determinable only at some future date, or it may appropriate "such sums as may be necessary" for a given purpose.

The House has two permanent and indefinite appropriations. These appropriations include the Compensation of Members and Related Administrative Expenses and Congressional Use of Foreign Currency.

Compensation of Members and Related Administrative Expenses is maintained and administered by the House. Public Law 97-51, Sec. 130(c), Oct. 1, 1981, 95 Stat. 966, "Appropriation of funds for Compensation of Members of Congress and for Administrative Expenses at Levels Authorized by Law and Recommended by the President for Federal Employees". The appropriation funds the payroll and benefits compensation for Members of Congress and related administrative expenses in support of administering the fund.

Congressional Use of Foreign Currency is maintained and administered by the Department of State on behalf of the House. This account, which was established in 1948 and made permanent in 1981, is authorized by legislation codified in Title 22, Sec. 1754 of the United States Code. The funds are available to Congressional Committees and delegations to cover local currency expenses incurred while traveling abroad. Use of the foreign currency account for Congressional delegations and other official foreign travel of the House is authorized by either the Speaker of the House or the chairman of a Standing, Special and Select, or Joint Committee.

NOTE 18 – EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE U.S. GOVERNMENT

The Budget of the U.S. Government with actual amounts for the year ended September 30, 2014 has not been published as of the issue date of these financial statements. This document will be available in February 2015.

Differences between the Statement of Budgetary Resources and the Budget of the U.S. Government as of September 30, 2013:

Differences between the Statement of Budgetary Resources and the Budget of the U.S. Government	Budgetary Resources		Net Outlays	
Statement of Budgetary Resources	$	1,275,626,467	$	1,268,487,234
Difference		373,533		512,766
Budget of the U.S. Government	**$**	**1,276,000,000**	**$**	**1,269,000,000**

The House deems the variances between the amounts reported in the Statement of Budgetary Resources and the actual amounts reported in the Budget of the U.S. Government for budgetary resources and net outlays to be immaterial and/or insignificant. As such, reconciliation of this item is not necessary and therefore not included.

NOTE 19 – RECONCILIATION OF BUDGETARY RESOURCES OBLIGATED TO NET COST OF OPERATIONS

	2014	2013
Resources Used to Finance Activities		
Budgetary Resources Obligated		
Obligations incurred	$ 1,268,889,233	$ 1,284,277,661
Spending Authority from Offsetting Collections and Recoveries	(27,342,224)	(27,044,717)
Obligations Net of Offsetting Collections and Recoveries	1,241,547,009	1,257,232,944
Net Obligations	1,241,547,009	1,257,232,944
Other Resources		
Imputed Financing from Costs Absorbed by Others	241,196,971	231,388,782
Net Other Resources Used to Finance Activities	241,196,971	231,388,782
Total Resources Used to Finance Activities	1,482,743,980	1,488,621,726
Resources Used to Finance Items not Part of the Net Cost of Operations		
Change in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but not Yet Provided	(9,119,006)	2,150,395
Resources that Finance the Acquisition of Assets	(9,046,039)	(11,887,622)
Other Resources or Adjustments to Net Obligated Resources that do not affect Net Cost	(332,963)	297,604
Total Resources Used to Finance Items not Part of the Net Cost of Operations	(18,498,008)	(9,439,623)
Total Resources Used to Finance the Net Cost of Operations	$ 1,464,245,972	$ 1,479,182,103
Components of Net Cost of Operations that will not Require or Generate Resources in the Current Period		
Components Requiring or Generating Resources in Future Periods:		
Increase/(Decrease) in Actuarial Liability	$ (3,157,150)	$ 12,537,701
Increase/(Decrease) in Annual Leave Liability	(793,519)	527,985
Other	111,038	(34,335)
Total Components of Net Cost of Operations Requiring or Generating Resources in Future Periods	(3,839,631)	13,031,351
Components not Requiring or Generating Resources		
Depreciation and Amortization	15,557,009	22,263,829
Revaluation of Assets or Liabilities	155,897	(46,722)
Other	974,314	2,594,929
Total Components of Net Cost of Operations not Requiring or Generating Resources	16,687,220	24,812,036
Total Components of Net Cost of Operations that will not Require or Generate Resources in the Current Period	12,847,589	37,843,387
Net Cost of Operations	**$ 1,477,093,561**	**$ 1,517,025,490**

Note 5 – General Property and Equipment, Net

The House restated the following lines in Note 5 - General Property and Equipment, Net for FY 2013 to accurately reflect the acquisition cost and accumulated depreciation as of September 30, 2013.

- **Computer Software and Hardware**
  Acquisition cost was restated from $86,972,382 to $77,832,439
  Depreciation was restated from $76,558,970 to $67,419,027

- **Equipment**
  Acquisition cost was restated from $63,069,518 to $44,291,945
  Depreciation was restated from $52,118,129 to $33,340,556

In FY 2014, the House performed an inventory of CAO property and equipment and identified property records totaling approximately $10 million that were physically disposed prior to FY 2013. The House also performed an evaluation of infrastructure wiring in FY 2014 and determined that wiring with an acquisition cost of approximately $18 million had been upgraded or replaced and the old wiring was no longer in service as of September 30, 2013. As a result of the inventory of CAO property and equipment and the evaluation of infrastructure wiring, the House determined the itemized computer software and hardware, and equipment acquisition cost and accumulated depreciation were overstated. Since the CAO property and equipment and infrastructure wiring were fully depreciated and had no net book value, the Property and Equipment, Net line item was shown correctly on the Consolidated Balance Sheet for FY 2013 and there was no effect on the total assets, net cost of operations or net position.

Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

Stewardship Property and Equipment

The U.S. House of Representatives (House) collection of heritage assets includes historical artwork and artifacts that reflect the rich heritage and evolving nature of the House. The institution mirrors the changing face and history of the nation. These ideals and trials of our history are also expressed in the heritage assets whose subject matter includes prominent Americans and other distinguished individuals, significant moments in history, and symbolic representations of the nation's rich and diverse history.

The House's Curator manages and cares for the House's collection of works of art and artifacts under its jurisdiction which are located throughout the U.S. Capitol complex including House office buildings and other locations under the control of the House. Since these locations are not in a museum setting, works of art and artifacts may be subject to damage from contact and surface deposits. However, it is the House's goal to preserve its heritage assets and manage the condition in accordance with the intended usage of the collection. The House conducts periodic assessments to monitor, inspect and evaluate the condition of the heritage assets to determine the current condition for preservation or restoration efforts. These assessments are performed in accordance with House established practice and professional standards. General conditions are categorized as excellent, good, fair and poor. The House has determined its heritage assets to be in good to excellent condition.

The following tables present the general condition of the House's heritage assets and indicate an aggregate condition of the collection as of September 30, 2014.

Heritage Asset Collection - Artwork

General Condition	2013	Increase	Decrease	2014
Good to Excellent	323	11	-	334

The works of art include oil and acrylic paintings, works on paper, and sculpture in bronze, marble and other media. These items range from portraits and historical documents to statues and other works of art.

Examples of the House's collection of works of art include:

Oil Paintings

The House's collection of oil paintings primarily consists of the portraits of House of Representatives' Speakers and Committee Chairmen. An example includes that of Speaker Henry Clay by Guiseppe Fagnani in 1852. His portrait was the first of what became the Speaker's portrait series in the House Collection. This portrait series became official with House Resolution 164 in 1910, which decreed that the service of every speaker be commemorated with an oil portrait. All Speaker portraits hang in the Speaker's Lobby and in the East and West Chamber stairways that adjoin it.

Acrylic Paintings

The House's collection of acrylic paintings includes Committee portraits painted in acrylic on canvas. One such example is the portrait of former Chairman of the Committee on Appropriations, George Mahon.

Works on Paper

The House's collection of works on paper includes items such as an early 19th century sketch of Speaker Jonathan Dayton.

Sculptures

The House's collection of sculptures includes items such as several marble busts of former Speakers of the House, including Speakers Thomas B. Reed, Joseph G. Cannon, James Beauchamp Clark, and Nicholas Longworth.

Heritage Asset Collection - Artifacts

General Condition	2013	Increase	Decrease	2014
Good to Excellent	5,189	548	6	5,731

The artifacts include items in various types of media, including but not limited to paper, metal, plaster, wood, textile and stone. These items range from photographs and other historical images, literature (e.g., newspapers, magazines, and handbills), and political campaign buttons to engravings, furniture, and other types of historical artifacts.

Examples of the House's collection of artifacts include:

Paper

The House's collection of paper artifacts include items such as photographs of the House of Representatives Chamber in 1937; Visitor's Gallery passes from various Representatives from the early 1900's; detail of a tally sheet of the February 9, 1825 Electoral College vote from the records of the U.S. House of Representatives with the names of Andrew Jackson of Tennessee, John Quincy Adams of Massachusetts, William H. Crawford of Georgia, and Henry Clay of Kentucky appearing written in longhand; and Campaign Cards and other memorabilia of various Representatives dating back to the early 1900s.

Metal

The House's collection of metal artifacts includes items such as an artifact of the House Chamber, the historic inkwell that sits on the Speaker's desk when the House is in session, which dates back to the 19th century. The inkwell is known to have been used as long ago as 1821 in the Old Hall of the House before the Members moved to the present chamber.

Plaster

The House's collection of plaster artifacts include items such as several small 1932 busts of George Washington, presented to Members of Congress on the bicentennial of the first president's birth.

Wood

The House's collection of wood artifacts includes items such as the gavel used by Speaker Nancy Pelosi to open the 110th Congress as the first woman to serve as the House's presiding officer; and an 1819 desk and chair from the House Chamber.

Textile

The House's collection of textile artifacts includes items such as a recent House Page uniform, donated to the collection by a former Page.

Stone

The House's collection of stone artifacts includes items such as a small piece of the U.S. Capitol East front stairs.

Other Information

SCHEDULE OF SPENDING

For the Years Ended September 30, 2014 and 2013

	2014	2013 (Restated)
What Money is Available to be Spent?		
Total Resources	$ 1,461,745,293	$ 1,425,159,947
Less Amount Available but Not Agreed to be Spent	(182,011,041)	(138,724,631)
Less Amount Available to be Spent	(10,845,019)	(2,157,655)
Total Amounts Agreed to be Spent	**$ 1,268,889,233**	**$ 1,284,277,661**
How was the Money Spent/Issued?		
Personnel Compensation & Benefits	$ 994,059,412	$ 1,030,746,973
Contracts	76,111,096	71,732,837
Other	198,718,725	181,797,851
Total Amounts Agreed to be Spent	**$ 1,268,889,233**	**$ 1,284,277,661**
Who did the Money go to?		
Federal	$ 321,143,770	$ 325,774,256
Non-Federal	947,745,463	958,503,405
Total Amounts Agreed to be Spent	**$ 1,268,889,233**	**$ 1,284,277,661**

The FY 2013 Schedule of Spending was restated for the following sections:

How was the Money Spent/Issued? - to accurately re-classify approximatley $76M of transactions that were initially recorded in the 'Contracts' line item, but were later discovered to be 'Personnel Compensation & Benefits' and 'Other' type items based on the nature of the transaction and misinterpretation of the original data.

Who did the Money go to? - to accurately re-classify approximately $22M of transactions that were initially recorded in the 'Federal' line item, but were later discovered to be 'Non-Federal' type items based on a review of the supporting documentation while performing a similar analysis for the FY 2014 Schedule of Spending.

OIG

U.S. House of Representatives

OFFICE OF INSPECTOR GENERAL