

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 246

Session of
1978

INTRODUCED BY WILSON, WEIDNER, BURNS AND
J. L. WRIGHT, SEPTEMBER 13, 1978

REFERRED TO COMMITTEE ON RULES, SEPTEMBER 13, 1978

In the House of Representatives, September 13, 1978

1 WHEREAS, The House of Representatives of the Commonwealth of
2 Pennsylvania is the subject of justifiable criticism by the
3 public and the news media relating to the expenditure of public
4 funds appropriated to the Senate; and

5 WHEREAS, Act No. 151 of 1970 established the Legislative
6 Audit Advisory Commission to examine the standard of audits
7 performed under the provisions of section 10 of Article VIII of
8 the Constitution of Pennsylvania and recommend measures for the
9 improvement of preauditing and postauditing of the financial
10 affairs of the Commonwealth and to report annually
11 recommendations and suggested legislation, if any, for the
12 improvement of auditing in the Commonwealth and particularly as
13 it pertains to the Legislature; and

14 WHEREAS, Act No. 151 does not define "financial affairs" and,
15 therefore, in March 1973, the Legislative Audit Advisory
16 Commission authorized the preparation of the Accounting and
17 Operations Manual of the Pennsylvania General Assembly which

1 permits a postexpenditure examination by an independent auditor;
2 and

3 WHEREAS, Neither Act No. 151 nor the Accounting and
4 Operations Manual provide for the type of documentation required
5 to permit an independent auditor to perform a complete
6 examination of disbursements; and

7 WHEREAS, Audits for fiscal years ending on June 30, 1972,
8 1973, 1974, 1975 and 1976 performed by the certified public
9 accountants retained to perform same have not reflected known
10 misappropriations of funds by Senate and House members; and

11 WHEREAS, The certified public accountants performing the
12 audits have indicated that it is impossible to expose such
13 misappropriations because "neither the General Appropriation Act
14 nor the Accounting and Operations Manual provide for the type of
15 documentation required to permit an independent audit to design
16 and perform such an examination of disbursements on a
17 postexpenditure basis"; and

18 WHEREAS, The Legislative Audit Advisory Commission in its
19 report and recommendations on the most recent audit recommends
20 that "the Accounting and Operations Manual should be adopted by
21 both the full Senate and full House of Representatives as a rule
22 of each chamber at the beginning of each session and formal
23 procedures should be established for amending the Accounting and
24 Operations Manual and permanent custodial responsibility should
25 be assigned to one person in each body who would be responsible
26 for maintaining the Accounting and Operations Manual and
27 distributing copies and amendments as needed"; and

28 WHEREAS, The major source of difficulty in auditing the
29 financial affairs of the General Assembly and its legislative
30 service agencies has been and continues to be the absence of

1 definitive Senate and House rules governing the purposes for
2 which funds may be expended, maintenance of accounting records
3 and the method of properly documenting disbursements; therefore
4 be it

5 RESOLVED, That the House of Representatives directs the House
6 Rules Committee review the recommendations of the Legislative
7 Audit Advisory Commission and the certified public accountants
8 contained in their most recently submitted report. In addition,
9 the House Rules Committee should review recommendations
10 contained in Senate Bills 634, 635 and 636 dealing with the same
11 subject and any other pertinent data presently available to that
12 committee on this matter. The House Rules Committee will then
13 report its finding to the House of Representatives no later than
14 November 30, 1978 for consideration and possible adoption by the
15 House when it considers other rules in its annual organizational
16 meeting for the next session.