

May 1993

UNVOUCHERED EXPENDITURES

Executive Office of the
President Fiscal Year
1991 Expenditures
Subject to Audit Were
Proper



Comptroller General
of the United States

B-133209

May 17, 1993

To the President of the Senate and the
Speaker of the House of Representatives

This report presents the results of our review of certain unvouchered expenditures of appropriated funds by the Executive Office of the President for fiscal year 1991.¹ Public Law 95-570 authorizes these expenditures to be accounted for solely on the certificate of the President or the Vice President. That law specifies the authorized uses of those funds and within those constraints, such expenditures may be made as the President and the Vice President determine, notwithstanding the provisions of any other law. Public Law 95-570 also authorizes us to examine records related to these expenditures and to report to the Congress the results of our review and any amounts not expended for authorized purposes.

Expenditures Were Proper

We reviewed statistical samples of unvouchered expenditure transactions the Executive Office of the President made during fiscal year 1991 and found that these expenditures were made for authorized purposes. Based on the sample results and our other tests of accounting records, we conclude that the unvouchered expenditures of about \$8 million were proper.

According to Public Law 95-570, the President and the Vice President may expend the unvouchered appropriated funds for the following purposes:

- the operation, maintenance, and repair of the Executive Residence at the White House,
- official entertainment expenses of the President and the Vice President, and
- subsistence expenses of persons in government service while they are traveling on official business in connection with the President's or Vice President's travel.

Table 1 shows the total amounts for the categories of expenses we examined for fiscal year 1991.

¹Our last report, Unvouchered Expenditures: Presidential and Vice Presidential Expenditures for the Periods Reviewed Were Proper (GAO/AFMD-90-84, September 28, 1990), covered expenditures for fiscal year 1988 and for the period from October 1, 1988, to January 20, 1989.

Table 1: Executive Office of the President Unvouchered Expenditures for Fiscal Year 1991

Category of expense	Amount
Operation, maintenance, and repair of the Executive Residence at the White House, including official entertainment expenses of the President	\$7,557,023 ^a
Travel of presidential staff	394,950 ^b
Travel of vice presidential staff	159,248 ^b
Official entertainment expenses of the Vice President	72,337 ^b
Total	\$8,183,558

^aThis amount is as of September 30, 1991, and represents the actual expenditures (payments and payables of \$6,839,672) and undelivered orders (obligations of \$717,351) of fiscal year 1991 appropriated funds.

^bThese amounts are as of March 31, 1992, and represent actual expenditures of fiscal year 1991 appropriated funds.

The audited presidential and vice presidential unvouchered expenditures for fiscal year 1991 were financed as part of the total \$44.5 million funding under the following appropriations:

- Executive Residence at the White House,
- White House Office,
- Special Assistance to the President, and
- Official Residence of the Vice President.

As authorized by the act, all expenditures made from the appropriation for the Executive Residence are unvouchered, while only portions of the other appropriations are unvouchered. In addition, unvouchered expenditures for official entertainment expenses of the Vice President are specifically limited by the annual appropriation, which for fiscal year 1991 established a ceiling of \$90,000.

Objective, Scope, and Methodology

Our objective was to determine whether unvouchered presidential and vice presidential expenditures for fiscal year 1991 were for purposes authorized by Public Law 95-570.

To determine whether controls were in place to ensure that funds were being used only for authorized purposes, we evaluated and tested selected internal controls over the procurement of goods and services, travel, and payroll.

To ascertain whether expenditures were for authorized purposes, we analyzed statistical samples of procurement and travel transactions. A sample of transactions cannot provide 100 percent assurance that each expenditure in the total population was for an authorized purpose. However, our samples provided assurance at a 95 percent confidence level that expenditures for unauthorized purposes did not exceed 3 percent of the total dollar amount of the transactions in the population. We also analyzed Executive Residence payroll disbursements and examined judgmentally selected records of adjusting entries and undelivered orders (obligations).

In addition, we tested a judgmental sample of vouchered transactions to determine whether any material unvouchered transactions were excluded from the amounts reported for travel and vice presidential entertainment. Also, to determine if reimbursable events held at the Executive Residence were properly accounted for, we examined selected records pertaining to reimbursements received from other government agencies and other organizations.

We did not examine unvouchered expenditures for the \$50,000 presidential official expense allowance and the \$100,000 presidential travel expense allowance because legislation exempts both expense allowances from the Comptroller General's examination.

We performed our work from July 1992 through March 1993 at the Executive Residence, the Office of Administration in the Executive Office of the President, and the National Park Service accounting offices that perform accounting services for the Executive Residence. Our review was performed in accordance with generally accepted government auditing standards. We met with key White House officials to discuss the results of our work.

We are sending copies of this report to the President, the Vice President, and the Director of the Office of Management and Budget. Copies will also be made available to others upon request.

Milton J. Bowsher

for Charles A. Bowsher
Comptroller General
of the United States

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