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United States General Accounting Office

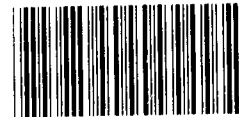
GAO

Report to the Assistant to the President  
for Operations, the White House

April 1988

# THE WHITE HOUSE OFFICE

## Fiscal Year 1986 Appropriated Fund Expenditures Were Properly Made



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Comptroller General  
of the United States

B-133209

April 18, 1988

The Honorable Rhett B. Dawson  
Assistant to the President  
for Operations  
The White House

Dear Mr. Dawson:

Under authority of the Budget and Accounting Act of 1921 (31 U.S.C. 712), we examined transactions related to the White House Office appropriation. Our examination of specific transactions for fiscal year 1986 disclosed that expenditures were properly made and internal controls were operating as intended.

## Objective, Scope, and Methodology

Our objective was to evaluate whether expenditures from the White House Office appropriation for fiscal year 1986 were properly made. Using statistical sampling techniques, we randomly selected for detailed review 102 transactions from a universe of 3,179 transactions, giving a maximum sampling error of 10 percent at the 95-percent level of confidence.

In verifying these transactions, we performed tests and examinations of supporting documents as we considered necessary. In this regard, we examined invoices, purchase orders, travel documents, and vouchers used to schedule payments. We evaluated controls in place for ensuring that funds were used only for authorized purposes, reviewed files related to expenditures, and obtained written clarifications of these transactions. We determined whether these expenditures were made in accordance with the Prompt Payment Act of 1982 (Public Law 97-177; 31 U.S.C. 3901-3906) and its implementing regulations.

The universe did not include expenditures related to personnel compensation and benefits because these are largely routine transactions generated through the Executive Office of the President's Financial Management Division and processed by the Department of the Treasury's payroll system. We may, however, evaluate these operations later. The universe also did not include subsistence payments because we examined that area as part of a separate review of expenditures made under authority of Public Law 95-570.

Our work was performed during December 1987 and January 1988 at the Executive Office of the President in Washington, D.C. The review was performed in accordance with generally accepted government auditing standards. On March 24, 1988, we met with you and other key White House officials and discussed this report.

## Expenditures Were Properly Made

Examination of specific expenditure transactions made from the White House Office appropriation during fiscal year 1986 showed that they were properly authorized and controlled. Therefore, projecting the results of our sample to all White House Office appropriation expenditures, excluding those for personnel compensation and benefits and those made under Public Law 95-570, we conclude that these transactions were properly made.

The expenditures included in the universe amounted to \$8,143,603 and covered a variety of transactions. Our sample of 102 transactions consisted of 38 travel transactions and 64 transactions related to such items as equipment and supply purchases, entertainment, printing expenses, and reimbursements.

We identified internal controls related to these expenditures and performed selected tests to determine if they were working as intended. For example, we verified that travel and purchases were properly authorized and determined that travel vouchers and invoices were appropriately approved for payment and supported by adequate documentation.

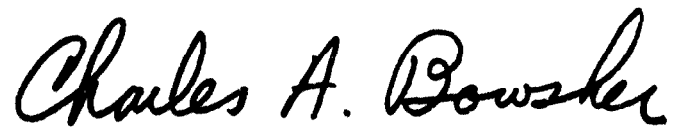
In a separate examination, we concluded that Public Law 95-570 expenditures from the White House Office appropriation were proper. We reported this to the Congress today in a report entitled, Unvouchered Expenditures: Presidential and Vice Presidential Fiscal Year 1986 Expenditures Were Proper (GAO/AFMD-88-39).

During the course of our audit we noted that provisions of the Prompt Payment Act of 1982 and its implementing regulations were not considered when making payments to commercial vendors from this appropriation. We brought this matter to the attention of the Executive Office of the President's Financial Management Division staff and they initiated procedures to comply with the act.

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

Sincerely yours,

A handwritten signature in black ink that reads "Charles A. Bowsher". The signature is written in a cursive style with a large, prominent initial "C".

Charles A. Bowsher  
Comptroller General  
of the United States



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