

February 2009

CERTIFICATED EXPENDITURES

Executive Office of the President Fiscal Year 2007 Certificated Expenditures Were Used for Authorized Purposes



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United States Government Accountability Office
Washington, DC 20548

February 17, 2009

The President of the Senate
The Speaker of the House of Representatives

Pursuant to 3 U.S.C. §§ 105(d) and 106(b), we reviewed certificated expenditures from fiscal year 2007 appropriations of the President of the United States and the Vice President of the United States. These sections authorize the President and the Vice President to expend appropriated funds for certain specified purposes that may be accounted for solely on their certificates and as they determine, notwithstanding the provisions of any other law.¹ Sections 105(d) and 106(b) also authorize us to examine records related to these expenditures for the purpose of verifying that all such expenditures related to purposes specified in those sections. We are to report to Congress our verification and any amounts not expended for the specified purposes. This report presents the results of our review of certificated expenditures from funds appropriated for fiscal year 2007 to the President and the Vice President for these specified purposes.² Based on the results of our work, we concluded that the certificated expenditures were spent for the purposes authorized under sections 105(d)(1), (3), and (5) and 106(b)(2) and (3), as applicable.

Section 105(d) of Title 3 of the United States Code authorizes the President to certificate the expenditure of appropriated funds for certain purposes. Specifically,

- section 105(d)(1) authorizes appropriations for the “care, maintenance, repair, alteration, refurnishing, improvement, air-conditioning, heating, and lighting (including electric lighting and fixtures) of the Executive Residence at the White House;”

¹ These expenditures have also been referred to as unvouchered expenditures. See GAO, *Unvouchered Expenditures: Executive Office of the President Fiscal Year 1991 Expenditures Subject to Audit Were Proper*, [GAO/AFMD-93-63](#) (Washington, D.C.: May 17, 1993).

² For fiscal year 2007, in the Revised Continuing Appropriations Resolution, Congress appropriated such amounts as may be necessary, at the amount appropriated in fiscal year 2006 and under the authority and conditions provided in the applicable appropriations act for fiscal year 2006, for the President and the Vice President. See Pub. L. No. 110-5, 121 Stat. 8 (Feb. 15, 2007) and Pub. L. No. 09-115, 119 Stat. 2396, 2472 (Nov. 30, 2005).

- section 105(d)(3) authorizes appropriations for the “official entertainment expenses of the President;” and
- section 105(d)(5) authorizes appropriations for the “subsistence expenses of persons in the government service while traveling on official business in connection with travel of the President.”

Similarly, section 106(b) of Title 3 of the United States Code authorizes the Vice President to certificate the expenditure of appropriated funds for certain purposes. Specifically,

- section 106(b)(2) authorizes appropriations for the “official entertainment expenses of the Vice President” and
- section 106(b)(3) authorizes appropriations for the “subsistence expenses of persons in the government service while traveling on official business in connection with travel of the Vice President.”

Certificated President and Vice President Expenditures for Fiscal Year 2007 Were Used for Authorized Purposes

Table 1 reflects, by purpose category, the dollar amounts of expenditures that were certificated by the Offices of the President and Vice President, respectively, for fiscal year 2007 as reflected in the underlying accounting records, attested to by an authorized representative, and verified by us.

Table 1: Fiscal Year 2007 Certificated Expenditures Covered by GAO’s Review

Purpose	Office of the President	Office of the Vice President
The care, maintenance, repair, alteration, refurnishing, improvement, air-conditioning, heating, and lighting (including electric lighting and fixtures) of the Executive Residence at the White House (3 U.S.C. § 105(d)(1))	\$12,337,476	\$0
The official entertainment expenses of the President and Vice President (3 U.S.C. §§ 105(d)(3) and 106(b)(2))	8,694	52,974
The subsistence expenses of persons in the government service while traveling on official business in connection with travel of the President or Vice President (3 U.S.C. §§ 105(d)(5) and 106(b)(3))	103,325	0
Total	\$12,449,495	\$52,974

Source: The Executive Office of the President.

Based upon the results of our work, we concluded that the fiscal year 2007 expenditures certificated by the Offices of the President and Vice President were spent for the purposes authorized above.

Scope and Methodology

To achieve our objective, we

- identified internal controls we considered to be significant to our objective, gained an understanding of these internal controls, assessed the reliability of the underlying accounting records we relied on to conduct our verification, and based on our assessment, found the records to be reliable for purposes of achieving our objective;
- determined the total certificated expenditures incurred by the Offices of the President and Vice President for fiscal year 2007 related to the specified purposes in 3 U.S.C. §§ 105(d)(1), (3), and (5) and 106(b)(2) and (3) based on underlying accounting records;
- selected a statistical sample³ of fiscal year 2007 certificated expenditures of the Office of the President that related to the purposes in 3 U.S.C. § 105(d)(1), (3), and (5) and traced them to underlying supporting documentation, such as invoices, journal vouchers, and receipts; and
- traced all fiscal year 2007 certificated expenditures of the Office of the Vice President and related to the purposes in 3 U.S.C. § 106(b)(2) and (3)⁴ to underlying supporting documentation, such as credit card statements and contracts.

On January 13, 2009, we provided a draft of this report to officials of the Offices of the President and Vice President for their review and comment. On January 15, 2009, they responded that they agreed with our findings and conclusions. We conducted our work from October 2007 to February 2009 in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objective. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objective and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for our findings and conclusions.

³ We selected a random sample and are 95 percent confident that the actual error rate associated with the sampling error inherent in statistical sampling is less than or equal to 1 percent, plus or minus 5 percent.

⁴ There were no certificated expenditures for the purpose in 3 U.S.C. § 106(b)(3), which is for subsistence expense of persons on official government travel, in the Office of the Vice President in fiscal year 2007.

We are sending copies of this report to the President and Vice President. This report is also available at no charge on GAO's Web site at <http://www.gao.gov>.

We acknowledge and appreciate the cooperation and assistance provided by the officials in the Offices of the President and Vice President. Please contact me at (202) 512-3406 or sebastians@gao.gov if you or your staff have any questions regarding this report. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. The following GAO staff made major contributions to this report: Charles R. Fox, Assistant Director; Jacquelyn N. Hamilton, Deputy Assistant General Counsel; Cara L. Bauer; Emily M. Clancy; and Patricia A. Summers.



Steven J. Sebastian
Director
Financial Management and Assurance

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