



441 G St. N.W.
Washington, DC 20548

November 17, 2016

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

Certificated Expenditures: Executive Office of the President Fiscal Year 2015 Certificated Expenditures Were Spent for Authorized Purposes

Pursuant to 3 U.S.C. §§ 105(d) and 106(b), we inspected and verified certificated (officially documented) expenditures from fiscal year 2015 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 to verify that all such expenditures related to purposes specified in those sections and to report to Congress our verification and any amounts not expended for the specified purposes. This report presents the results of our audit of certificated expenditures from funds appropriated for fiscal year 2015 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) and 106(b), as applicable.

Background

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, refurbishing, improvement, air-conditioning, heating, and lighting (including electric power and fixtures) of the Executive Residence at the White House”;
- 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 the travel of the President.”

¹These types of expenditures have also been referred to as unvouchered expenditures. See, for example, 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), and Office of Management and Budget, “Reports on Unvouchered Expenditures,” sec. 140 of *Preparation, Submission and Execution of the Budget*, OMB Circular No. A-11 (2016).

²For fiscal year 2015, the Executive Office of the President Appropriations Act, 2015, Pub. L. No. 113-235, div. E, tit. II, 128 Stat. 2341 (Dec. 16, 2014), appropriated funds for the President and the Vice 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 the travel of the Vice President.”

Objective, Scope, and Methodology

Our objective was to determine whether the President’s and the Vice President’s fiscal year 2015 certificated expenditures were spent for purposes authorized under 3 U.S.C. §§ 105(d) and 106(b). To achieve our objective, we

- determined the total certificated expenditures incurred by the President and Vice President for fiscal year 2015 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;
- obtained a written assertion from the Chief Financial Officer of the Executive Office of the President (EOP) certifying the completeness of the data population of certificated expenditures per 3 U.S.C. §§ 105(d)(1), (3), and (5) and 106(b)(2) and (3)—based on this assertion and our professional judgment, we determined that the data were reliable for our purposes;
- selected a statistical sample of fiscal year 2015 certificated expenditures 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 credit card statements, invoices, and journal vouchers;³ and
- selected a statistical sample of fiscal year 2015 certificated expenditures of the Vice President that related to the purposes in 3 U.S.C. § 106(b)(2) and (3) and traced them to underlying supporting documentation, such as credit card statements and contracts.⁴

We obtained an understanding of and evaluated those internal controls that were significant to achieving our objective. We did not intend to audit, nor did we audit, all internal controls relating to such expenditures or conclude on their effectiveness.

We conducted this performance audit from March 2016 to November 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

³We selected a random sample and are 95 percent confident that the actual error rate associated with the sampling error inherent in statistical sampling is not more than 3 percent.

⁴We selected a random sample and are 95 percent confident that the actual error rate associated with the sampling error inherent in statistical sampling is not more than 2.5 percent.

Certificated President and Vice President Expenditures for Fiscal Year 2015 Were Spent for Authorized Purposes

Table 1 reflects, by purpose category, the dollar amounts of expenditures that were certificated by the President and Vice President for fiscal year 2015. These amounts were reflected in the underlying accounting records and attested to by the Chief Financial Officer of the Executive Office of the President.

Table 1: Fiscal Year 2015 Certificated Expenditures Covered by GAO’s Audit

Purpose	President of the United States	Vice President of the United States
The care, maintenance, repair, alteration, refurbishing, improvement, air-conditioning, heating, and lighting (including electric power and fixtures) of the Executive Residence at the White House (3 U.S.C. § 105(d)(1))	\$13,389,112	Not applicable
The official entertainment expenses of the President and Vice President (3 U.S.C. §§ 105(d)(3) and 106(b)(2))	657,164	\$75,382
The subsistence expenses of persons in the Government service while traveling on official business in connection with the travel of the President and of the Vice President (3 U.S.C. §§ 105(d)(5) and 106(b)(3))	56,770	1,425
Total	\$14,103,046	\$76,807

Source: The Executive Office of the President. | GAO-17-116R

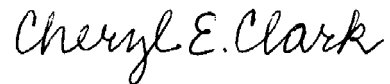
As detailed in table 1, for fiscal year 2015, the President under 3 U.S.C. § 105(d)(1), (3), and (5) certificated \$14,103,046 of expenditures, and the Vice President under 3 U.S.C. § 106(b)(2) and (3) certificated \$76,807 of expenditures. We tested a statistical sample of the certificated expenditures of the President and a statistical sample of the certificated expenditures of the Vice President for fiscal year 2015 and found no exceptions. Based on the results of our work, we concluded that the fiscal year 2015 expenditures certificated by the President and Vice President were spent for the purposes authorized under the sections noted above.

Agency Comments

We requested comments on a draft of this product from EOP. The Chief Financial Officer provided us with an email response on November 1, 2016, stating that the EOP did not have any comments.

We are sending copies of this report to the President and Vice President. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

We acknowledge and appreciate the cooperation and assistance provided by the officials in the Executive Office of the President. If you or your staff have any questions regarding this report, please contact me at (202) 512-3406 or clarkce@gao.gov. 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: Lynda E. Downing (Assistant Director), Lauren S. Fassler (Senior Attorney), Clayton T. Clark, and Emily M. Matic.

A handwritten signature in black ink that reads "Cheryl E. Clark". The signature is written in a cursive, flowing style.

Cheryl E. Clark
Director
Financial Management and Assurance

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