Audit of
Advisory Neighborhood Commission 7A
for Fiscal Years 1999 and 2000

May 8, 2001
Ms. Angela T. Murphy, Chairperson  
Advisory Neighborhood Commission 7A  
4310 Texas Avenue, S.E.  
Washington, D.C. 20019

**Letter Report:** Audit of Advisory Neighborhood Commission 7A for Fiscal Years 1999 and 2000  
(10/1/1998 through 9/30/2000)

Dear Commissioner Murphy:

Pursuant to D.C. Code, Section 1-264(d), as amended, the District of Columbia Auditor conducted an audit of the financial activities of Advisory Neighborhood Commission (ANC) 7A.

**OBJECTIVES, SCOPE, AND METHODOLOGY:**

The objectives of this audit were to determine whether ANC 7A’s:

1. disbursements complied with the Advisory Neighborhood Commissions Act of 1975 (ANC law), as amended, Advisory Neighborhood Commission Financial Guidelines and Procedures issued by the Office of the District of Columbia Auditor, and legal opinions issued by the Office of the Corporation Counsel; and

2. internal controls were adequate to produce reliable financial information and ensure that its assets were safeguarded.

The audit covered fiscal years 1999 and 2000. The Auditor reviewed available cancelled checks, bank statements, receipts, invoices, quarterly financial reports, minutes of public meetings, and other documents that supported ANC 7A’s disbursements and related financial activities for the audit period. ANC 7A’s chairperson and treasurer were interviewed to obtain additional information and insight regarding ANC 7A’s financial activities.
FINDINGS

STATEMENT OF ANC CASH POSITION
AS OF SEPTEMBER 30, 2000

Table I presents a statement of ANC 7A’s cash position as of September 30, 2000.

TABLE I

ANC 7A’s Statement of Cash/Bank Balances
As of September 30, 2000

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash on Hand</td>
<td>$ 0.00</td>
</tr>
<tr>
<td>Cash in Checking Account</td>
<td>33,646.79</td>
</tr>
<tr>
<td>Cash in Savings Account</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Available Cash</strong></td>
<td><strong>33,646.79</strong></td>
</tr>
</tbody>
</table>

(1) Checking account balance was obtained from the bank statement as of September 30, 2000. The quarterly Financial Report for the period ending September 30, 2000 was not submitted and ANC 7A’s treasurer has not reconciled the ledger balance with the bank balance.

ANC 7A HELD ONLY SEVEN PUBLIC MEETINGS DURING THE TWO-YEAR AUDIT PERIOD

D.C. Code, Section 1-262(b)(1), states: “Each Commission must meet in a public session at regular intervals at least nine (9) times per year…” [Auditor’s Emphasis] ANC 7A’s minutes indicated that only seven public meetings were held during the two-year audit period rather than 18 as required by the ANC law. ANC 7A held four public meetings during fiscal year 1999, and three public meetings during fiscal year 2000. ANC 7A Commissioners interviewed offered no specific reason as to why the Commission did not hold the minimum nine meetings per year as required by D.C. Code, Section 1-262(b)(1). However, ANC 7A Commissioners indicated that they encountered difficulties in obtaining a quorum at the public meetings held because of poor attendance by a majority of the Commissioners on the Commission. As a consequence, the ANC could not conduct official business as required by D.C. Code, Section 1-262(b)(1).
RECOMMENDATION

Advisory Neighborhood Commission 7A hold at least 9 public meetings each year as required by D.C. Code, Section 1-262(b)(1).

ANC 7A INADEQUATELY DOCUMENTED DISBURSEMENTS AND FAILED TO COMPLY WITH APPLICABLE GUIDELINES

Overall, during fiscal years 1999 and 2000, ANC 7A did not maintain sufficient documentation to justify and support most of the disbursements of ANC funds. Also, ANC 7A officers did not establish adequate procedures to ensure that all documentation was properly obtained and maintained in the ANC’s files.

ANC 7A Did Not Maintain Documentation to Justify and Support a Majority of Disbursements Made During the Audit Period

ANC 7A was not in compliance with ANC Financial Guidelines and Procedures issued by the Office of the District of Columbia Auditor which state:

Prior to disbursing funds, the Treasurer must ensure that a voucher package is prepared which contains the following:

a. An original invoice or receipt from the supplier of goods and services.

b. A signed statement must be attached to the invoice or written on the invoice by the ANC representative who receives the goods or services which states:

“I certify that the goods or services described on the attached invoice have been received and represent bona fide expenses of the ANC.”

c. The date paid and check number must be entered on the original invoice.

d. All vouchers must be filed in check number sequence.

All voucher packages must be retained for a period of at least five years.
Based on an examination of 16 checks totaling $545.53 and available records, the Auditor found that 87% of the disbursements made from October 1, 1998 through September 30, 2000, lacked any supporting documentation, including voucher packages. The ANC’s files did not contain invoices, receipts or other documentation supporting the purchase of goods and services in the amount of $441.53 (13 checks) for fiscal year 1999, and $35.00 (2 checks) for fiscal year 2000 for a total of $476.53 (15 checks). Further, the ANC’s officers could not provide an approved budget for fiscal years 1999 and 2000.

All of ANC 7A’s checks were not written in consecutive order during the audit period, and all of the checks issued during the audit period could not be accounted for by the ANC’s treasurer. The chairperson of ANC 7A indicated that the treasurer did maintain supporting documentation for the aforementioned expenditures, but the documentation had been misplaced. ANC 7A’s financial records were maintained at the home of the treasurer because the ANC did not have an office.

Due to the absence of documentation to support the disbursements, checks not being issued in consecutive order, and unaccounted for checks, ANC 7A was not in compliance with the ANC law and ANC Financial Guidelines and Procedures issued by the Office of the District of Columbia Auditor.

Table II shows a list of ANC 7A’s disbursements during the audit period which were not supported by invoices, receipts, executed contracts or other relevant supporting documentation.

<table>
<thead>
<tr>
<th>Date</th>
<th>Check No.</th>
<th>Payee</th>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/11/98</td>
<td>400</td>
<td>Mary Glenn</td>
<td>Flyer Delivery 9/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>401</td>
<td>Mary Glen</td>
<td>Flyer Delivery 10/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>402</td>
<td>Shelly Carr</td>
<td>Flyer Delivery 10/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>403</td>
<td>Brianna Carr</td>
<td>Flyer Delivery 9/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>404</td>
<td>Shelly Carr</td>
<td>Flyer Delivery 11/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>405</td>
<td>Mary Glenn</td>
<td>Flyer Delivery 11/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>406</td>
<td>Maurice Anderson</td>
<td>Flyer Delivery 11/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>407</td>
<td>Rashean Dixon</td>
<td>Flyer Delivery 9/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>408</td>
<td>Rashean Dixon</td>
<td>Flyer Delivery 10/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>Date</td>
<td>Check No.</td>
<td>Payee</td>
<td>Purpose</td>
<td>Amount</td>
</tr>
<tr>
<td>----------</td>
<td>-----------</td>
<td>------------------</td>
<td>---------------------</td>
<td>---------</td>
</tr>
<tr>
<td>11/11/98</td>
<td>409</td>
<td>Nakida Settles</td>
<td>Flyer Delivery 10/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>410</td>
<td>Nakida Settles</td>
<td>Flyer Delivery 10/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>411</td>
<td>Nakida Settles</td>
<td>Flyer Delivery 10/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>4/4/00</td>
<td>420</td>
<td>Lorraine Robinson</td>
<td>Flyer Delivery 4/00</td>
<td>$17.50</td>
</tr>
<tr>
<td>5/23/00</td>
<td>421</td>
<td>Linda Wilkerson</td>
<td>Flyer Delivery 5/00</td>
<td>$17.50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15</strong></td>
<td></td>
<td></td>
<td><strong>$476.53</strong></td>
</tr>
</tbody>
</table>

Source: ANC 7A quarterly reports, canceled checks, and check book

ANC 7A Failed to Maintain Minutes Documenting Commissioners’ Approval of Expenditures

Advisory Neighborhood Commission 7A failed to comply with D.C. Code, Section 1-264(f), as amended, which states, in relevant part, the following:

“... No expenditure of any amount shall be made without the specific authorization of the Commission...”

Also, ANC 7A did not comply with the ANC Financial Guidelines and Procedures issued by the Office of the District of Columbia Auditor which state:

“All ANC disbursements must be approved by the Commission in a public meeting and recorded in the minutes of an ANC meeting.”

During the audit period, the available minutes of ANC 7A public meetings indicated the approval of the quarterly financial report by the Commissioners. However, the minutes consistently did not indicate the specific authorization of any expenditures relative to the $545.53 disbursed by the Commission’s treasurer and chairperson during the audit period. The minutes reviewed by the Auditor were in draft, handwritten form. The minutes had not been transcribed into a final format that could be duly approved by the Commission and submitted to the Auditor for review with quarterly financial reports pursuant to D.C. Code, Section 1-264(j).

---

1 According to Robert’s Rules of Order (revised) pages 247-250: “The record of the preceding of a deliberative assembly is usually called minutes...The essentials of the record are as follows: a) the kind of meeting; b) name of the assembly; c) date of the meeting and place, when it is not always the same; d) the fact of the presence of the regular chairman and secretary, or in their absence the names of the substitutes; e) whether the minutes of the previous meeting were approved...; f) all the main motions and points of order and appeals, whether sustained or lost, and all other motions that were not lost or withdrawn; and g) usually the hour of meeting and adjournment, when the meeting is solely for business...”
ANC 7A’s Secretary Has Not Recorded the Minutes of Each Public Meeting Held by the Commission

ANC 7A’s secretary has not recorded minutes of each of the public meetings held by the Commission during the audit period. ANC 7A has not complied with D.C. Code, Section 1-262(e), which states, in relevant part, the following:

“... The secretary shall ensure that appropriate minutes of Commission meetings are kept...”

The minutes reviewed by the Auditor were handwritten notes that described the events that occurred at the Commission’s public meetings. The minutes were not legible in some cases, and were difficult to follow. Further, the minutes were not presented to nor duly approved by the Commission at a public meeting of the Commission. ANC 7A has also violated its bylaws governing the operation and internal controls of the ANC by not recording the minutes and presenting the minutes for approval to the Commission.

ANC 7A’s Treasurer Did Not Reconcile the ANC’s Bank Balance to Its Checkbook Balance

ANC 7A’s treasurer did not reconcile the ANC’s bank statements to its checkbook for any of the statements reviewed by the audit team.

By not performing monthly reconciliations, ANC 7A’s treasurer did not comply with ANC Financial Guidelines and Procedures issued by the Office of the District of Columbia Auditor which state, in relevant part, the following:

“... The treasurer must reconcile the bank statement to the checkbook within fifteen days of receipt of the bank statement.”

The Guidelines further state that:

“The bank statement and bank reconciliation must be reviewed by the chairman or vice-chairman of the ANC, who must indicate their review by initialing the bank reconciliation.”

The failure to perform bank reconciliations increases the likelihood that fraudulent and unapproved transactions, as well as clerical errors made by the bank or an ANC officer, would not be detected. Bank reconciliations provide the ANC with an accurate accounting of funds available for its use, and provide the internal controls necessary to ensure that all financial transactions are properly recorded.
RECOMMENDATIONS

1. ANC 7A’s treasurer must maintain documentation in the ANC’s files to support all ANC 7A disbursements for a period of not less than five years. The documentation must include minutes, invoices, receipts, bank statements, cancelled checks, executed contracts, grant request letters, and other relevant financial records.

2. Reduce ANC 7A’s next quarterly allotment by $476.53 which represents the total amount of unauthorized and unsupported disbursements made during the audit period.

3. ANC 7A’s treasurer must develop and maintain a voucher package for each disbursement as recommended by the Auditor’s Financial Guidelines and Procedures for ANCs. The voucher package must be maintained in the ANC’s files for a period of not less than five (5) years.

4. ANC 7A’s secretary must maintain minutes of all ANC 7A public meetings. The minutes must reflect the specific authorization of each ANC expenditure and the approval of a spending plan budget each fiscal year which includes ongoing operating expenses. In accordance with Robert’s Rules of Order, properly compiled minutes must indicate:

   a) the kind of meeting; b) name of the assembly; c) date of the meeting and place, when it is not always the same; d) the fact of the presence of the regular chairman and secretary, or in their absence the names of the substitutes; e) whether the minutes of the previous meeting were approved...; f) all the main motions and points of order and appeals, whether sustained or lost, and all other motions that were not lost or withdrawn; and g) usually the hour of meeting and adjournment, when the meeting is solely for business.”[Auditor’s Emphasis]

5. ANC 7A’s treasurer must reconcile the ANC’s bank balance to its checkbook balance each month. ANC 7A’s chairperson and vice-chairperson must review the treasurer’s bank reconciliation and initial it to indicate that a review was performed.
ANC 7A’s Disbursements for Flyer Distribution
Represented An Apparent Conflict of Interest

ANC 7A’s treasurer and chairperson did not comply with D.C. Code, Section 1-264(l), which states, in relevant part, the following:

“...Funds allocated to the Commission may not be used for a purpose that involves partisan political activities, personal subsistence expenses, Commissioner compensation...”

Further, D.C. Code, Section 1-1462(i), states the following:

“Members of Advisory Neighborhood Commissions shall be covered under the conflict of interest provisions of 1-1461."

ANC 7A issued 14 checks totaling $455 to individuals for the distribution of flyers in the Commission area notifying residents of the date and time of ANC 7A public meetings. Twelve of the checks totaling $420 were issued during FY 1999. Two checks totaling $35 were issued during fiscal year 2000. Table III details the checks issued by ANC 7A for flyer distribution within the Commission area.

**TABLE III**

<table>
<thead>
<tr>
<th>Date</th>
<th>Check No.</th>
<th>Payee</th>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/11/98</td>
<td>400</td>
<td>Mary Glenn</td>
<td>Flyer Delivery 9/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>401</td>
<td>Mary Glen</td>
<td>Flyer Delivery 10/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>402</td>
<td>Shelly Carr</td>
<td>Flyer Delivery 10/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>403</td>
<td>Brianna Carr</td>
<td>Flyer Delivery 9/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>404</td>
<td>Shelly Carr</td>
<td>Flyer Delivery 11/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>405</td>
<td>Mary Glenn</td>
<td>Flyer Delivery 11/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>406</td>
<td>Maurice Anderson</td>
<td>Flyer Delivery 11/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>407</td>
<td>Rashean Dixon</td>
<td>Flyer Delivery 9/98</td>
<td>$35.00</td>
</tr>
</tbody>
</table>

2 D.C. Code, Section 1-1461(b), states in relevant part: No Public official shall use his or her official position or office to obtain financial gain for himself or herself, any member of his or her household, or any business with which he or she or a member of his or her household is associated...

8
<table>
<thead>
<tr>
<th>Date</th>
<th>Check No.</th>
<th>Payee</th>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/11/98</td>
<td>408</td>
<td>Rashean Dixon</td>
<td>Flyer Delivery 10/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>409</td>
<td>Nakida Settles</td>
<td>Flyer Delivery 10/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>410</td>
<td>Nakida Settles</td>
<td>Flyer Delivery 10/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>11/11/98</td>
<td>411</td>
<td>Nakida Settles</td>
<td>Flyer Delivery 10/98</td>
<td>$35.00</td>
</tr>
<tr>
<td>4/4/00</td>
<td>420</td>
<td>Lorraine Robinson</td>
<td>Flyer Delivery 4/00</td>
<td>$17.50</td>
</tr>
<tr>
<td>5/23/00</td>
<td>421</td>
<td>Linda Wilkerson</td>
<td>Flyer Delivery 5/00</td>
<td>$17.50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td></td>
<td></td>
<td><strong>$455.00</strong></td>
</tr>
</tbody>
</table>

Source: ANC 7A quarterly reports, canceled checks, and check book

The Auditor determined, after interviews with the chairperson and treasurer, that in some instances the flyer distribution in the Commission area was performed by relatives of ANC 7A Commissioners (nieces, nephews and children). This practice violated D.C. Code, Section 1-264(l), because the disbursements could be construed as commissioner compensation.

It appears that ANC 7A commissioners violated conflict of interest provisions when:
(1) the ANC’s treasurer issued disbursements to relatives of commissioners for flyer distribution;
(2) commission officers signed checks issued to their relatives; and
(3) the ANC’s treasurer and chairperson could not provide adequate documentation to support the expenditures.

Minutes of ANC 7A’s public meetings that were reviewed by the Auditor did not reflect the Commissioner’s specific approval of the disbursements for flyer delivery within the Commission area. There was no documentation that supported the services supplied by these individuals, thus ANC 7A was not in compliance with the Financial Guidelines and Procedures issued by the Office of the District of Columbia Auditor. ANC 7A was notified by the Office of the D.C. Auditor to cease the practice of having relatives of Commissioners deliver flyers within the Commission area and has complied.

RECOMMENDATIONS

1. ANC 7A Commissioners must immediately discontinue the practice of paying relatives to distribute flyers announcing ANC public meetings.

2. ANC 7A must develop and maintain a voucher package for each disbursement as recommended by the Auditor’s Financial Guidelines and Procedures for ANCs. The voucher package must be maintained in the ANC’s files for a period of not less than five (5) years.
ANC 7A’s minutes must reflect the specific authorization of each expenditure and the approval of a spending plan budget each fiscal year which includes ongoing operating expenses.

ANC 7A DID NOT COMPLY WITH APPLICABLE PROCEDURES AND GUIDELINES FOR MAINTAINING ITS CHECKBOOK DURING THE AUDIT PERIOD

ANC 7A Did Not Issue Checks in Consecutive Order

D.C. Code, Section 1-264(f), requires that all ANC checks be issued in consecutive order. Also, the ANC Financial Guidelines and Procedures state, in relevant part, the following:

"...All checks should be issued by the ANC in consecutive order on pre-numbered checks..."

During the audit period, Advisory Neighborhood Commission 7A’s treasurer did not comply with the ANC law or the ANC Financial Guidelines and Procedures recommended by the Office of the District of Columbia Auditor with regard to issuing checks in consecutive order. During fiscal years 1999 and 2000, ANC 7A’s treasurer did not issue all of the ANC’s checks in consecutive order. The Auditor could not account for check numbers 416, 417, 419 and 422. The aforementioned checks were not present in the check book and had not been presented to the bank. Check number 418, a blank check, was present in the ANC’s check book.

The treasurer of ANC 7A indicated that the missing checks (416, 417, 419 and 422) were written to vendors for services to be rendered in the future, but the services were never rendered. Thus, according to the ANC’s treasurer at that time, the checks were subsequently voided. The Auditor questions how checks not in the possession of the treasurer could be voided and further questions why the checks were not recovered from the vendor and a request was not made to the ANC’s bank to place a stop payment order on these four checks.

ANC disbursements should only be made for services rendered, and as a general rule disbursements should never be made for services to be rendered in the future. Table III details the status of checks not issued in consecutive order that remain unaccounted for.
TABLE III
Status of Checks not listed in Consecutive Order

<table>
<thead>
<tr>
<th>Check #</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>416</td>
<td>Check not present in check book, not voided, and has not been presented to bank</td>
</tr>
<tr>
<td>417</td>
<td>Check not present in check book, not voided, and has not been presented to bank</td>
</tr>
<tr>
<td>419</td>
<td>Check not present in check book, not voided, and has not been presented to bank</td>
</tr>
<tr>
<td>422</td>
<td>Check not present in check book, not voided, and has not been presented to bank</td>
</tr>
</tbody>
</table>

Source: ANC 7A check book, cancelled checks, and quarterly financial reports

ANC 7A, because it did not recover the checks written to vendors for services not rendered, violated the ANC Financial Guidelines and Procedures recommended by the Office of the District of Columbia Auditor, which state the following:

"Voided or spoiled checks should be mutilated to preclude subsequent use. These checks must be retained by the Treasurer for the purpose of accounting for all consecutively numbered checks belonging to the ANC."

RECOMMENDATIONS

1. All checks issued by ANC 7A must be issued in consecutive order on pre-numbered checks without exception.

2. Disbursements for personal services must be made only after the services are rendered.

3. All checks voided by ANC 7A must be retained by the treasurer for the purpose of accounting for all consecutively numbered checks.

4. In order to ensure that the four unaccounted for checks are not charged to the ANC’s account, the current treasurer and chairperson should immediately place a stop payment order on these checks for the longest period of time allowed by the bank at which the ANC maintains its checking account. ANC 7A commissioners should further consider closing the existing checking account and opening a new account.
ANC 7A HAS FAILED TO SUBMIT FISCAL YEAR 2000 QUARTERLY FINANCIAL REPORTS

D.C. Code, Section 1-264(j), states “the treasurer of a Commission shall prepare a quarterly financial report on a form provided by the Auditor. The financial report shall be presented to the Commission for its consideration at a public meeting of the Commission within 45 days of the end of the quarter. A copy of the approved financial report signed by the Chairperson, the secretary, and the treasurer shall be filed with the Auditor, along with a record of the vote adopting the report, within 15 days of approval.”

Each quarterly financial report must include at a minimum, copies of cancelled checks, bank statements, grant request letters, invoices and receipts, executed contracts, details about all contributions received during the period covered by the quarterly report, and the minutes of the meeting indicating the Commission’s approval of disbursements and the quarterly report.

ANC 7A has not complied with D.C. Code, Section 1-264(j), with regard to filing its third and fourth quarter financial reports for fiscal year 2000. The fiscal year 2000 quarterly financial reports had not been submitted to the Office of the District of Columbia Auditor as of the date of this audit report. The ANC chairperson indicated that the transition from the previous ANC Commission officers to the newly elected ANC Commission officers has contributed to the delay in submitting quarterly financial reports. In addition, the chairperson also indicated that a major contributing factor to the delinquency in filing quarterly reports was that the previous Commission treasurer had refused to surrender the financial records, including the ANC’s checkbook, despite several requests from past and present ANC 7A officers.

No further quarterly allotments will be, or have been, authorized for release to ANC 7A until the reports of the financial activity for the third and fourth quarters of fiscal year 2000, are received, reviewed and approved by the Auditor. Additionally, the Auditor has taken control of the ANC’s checkbook until it comes into compliance with the financial reporting requirements under the ANC law.

RECOMMENDATION

ANC 7A must comply with the quarterly financial reporting requirements of D.C. Code, Section 1-264(j), as amended.

CONCLUSION

As a result of the examination of ANC 7A’s books and records, the Auditor determined that ANC 7A was not in substantial compliance with relevant provisions of the Advisory Neighborhood Commission Act of 1975, as amended, the Financial Guidelines and Procedures issued by the Office of the District of Columbia Auditor, and legal opinions issued by the Office of the Corporation Counsel.
ANC 7A’s recordkeeping measures were inadequate. As a consequence, the ANC lacked the necessary supporting documentation to ensure that its disbursements were valid and legitimate, and that ANC funds were used for a public purpose. In addition, ANC 7A has not issued checks from the ANC’s check book in sequential order. This practice has, in part, led to the Auditor not being able to determine the status of all checks. ANC 7A must also reconcile the ANC’s bank statements to its checkbook monthly, which will ensure an accurate accounting of funds in its control.

ANC 7A did not hold the minimum number of public meetings required by the ANC law during the audit period. ANC 7A also did not comply with the recordkeeping provisions of the Financial Guidelines and Procedures recommended by the Office of the District of Columbia Auditor. The Auditor further found that ANC 7A did not ensure that all disbursements were specifically approved by ANC 7A’s Commissioners during a public meeting of the Commission before the expenditures were made, and failed to record the Commissioner’s approval of disbursements in the Commission’s minutes. In fact, the secretary of ANC 7A has not been recording the minutes of each ANC public meeting as mandated by law.

The Auditor also found that relatives of ANC 7A Commissioners were paid ANC funds to deliver flyers. ANC 7A has been notified by the Office of the D.C. Auditor to cease the practice of paying relatives of Commissioners to distribute flyers within the Commission area because of the appearance of a conflict of interest and that such payments can be construed as commissioner compensation.

Further, financial reports for the third and fourth quarters of fiscal year 2000 have not been submitted to the Auditor by ANC 7A. The reports are many months late. As a result of the Commissions’ failure to file these reports for fiscal year 2000, no further quarterly allotments will be approved until all outstanding quarterly financial reports are submitted to, reviewed and approved by the Auditor.

As a result of the audit findings, the Auditor recommends that the next ANC 7A quarterly allotment be reduced by $476.53 because disbursements were not approved by Commissioners during a public meeting of the Commission, and there is no supporting documentation for the disbursements. Finally, ANC 7A must establish effective internal controls over its assets and financial data, obtain and maintain documentation to support all disbursements, and issue all checks in sequential order.

Respectfully submitted,

Deborah K. Nichols
District of Columbia Auditor