Audit of Advisory Neighborhood Commission 3D
for Fiscal Years 1999, 2000,
and 2001 Through December 31, 2000

June 8, 2001
Ms. Eleanor Lewis, Chairperson
Advisory Neighborhood Commission 3D
Palisades Station, P.O. Box 40846
Washington, DC 20016


Dear Commissioner Lewis:

Pursuant to D.C. Code, Section 1-264(d), as amended, the District of Columbia Auditor conducted an audit of the financial operations and activities of Advisory Neighborhood Commission (ANC) 3D.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of the audit were to determine:

1. whether ANC 3D’s 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. whether ANC 3D’s internal controls were adequate to produce reliable information and ensure that the ANC’s assets were properly safeguarded.

The audit covered the period October 1, 1998 through December 31, 2000. The Auditor reviewed available canceled checks, bank statements, receipts, invoices, quarterly reports, minutes of public meetings, and other documents that supported ANC 3D’s disbursements and related financial activities for the audit period. ANC 3D’s treasurer and administrative assistant were interviewed to obtain additional information regarding the ANC’s financial activities.
FINDINGS

STATEMENT OF ANC 3D’s CASH POSITION
AS OF DECEMBER 31, 2000

Table 1 presents a summary of ANC 3D’s cash balances as of December 31, 2000.

TABLE 1
ANC 3D’s Statement of Cash Balances
as of December 31, 2000

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash on Hand</td>
<td>$ -0-</td>
</tr>
<tr>
<td>(Petty Cash Fund Not Established)</td>
<td></td>
</tr>
<tr>
<td>Cash in Savings Account</td>
<td>-0-</td>
</tr>
<tr>
<td>(Savings Account Not Established)</td>
<td></td>
</tr>
<tr>
<td>Cash in Checking Account</td>
<td>11,974.01</td>
</tr>
<tr>
<td>Total Available Cash</td>
<td>$ 11,974.01</td>
</tr>
<tr>
<td>(As of December 31, 2000)</td>
<td></td>
</tr>
</tbody>
</table>

ONE CHECK WAS ISSUED WITH ONLY ONE SIGNATURE

D.C. Code, Section 1-264(f), as amended, states, in relevant part, that:

Any expenditure made by check shall be signed by at least 2 officers
of the Commission, one of whom shall be the treasurer or Chairperson.

Check number 1395 for $39.12 was issued on February 14, 2000, with only one signature
Although the "two-signature" requirement was not met, this expenditure for office supplies was
supported by a proper receipt and did not indicate a misuse of ANC funds. Apparently, this instance
of non-compliance was due to an administrative oversight. Further, this disbursement was
insignificant in light of the fact that the remaining seventy-three (73) checks issued during the audit
period all contained the required two signatures, including that of the Chairperson or treasurer, as
required by the ANC Law.

RECOMMENDATION

ANC 3D should ensure that all checks issued contain at least two authorized signatures.
ANC 3D’s FINANCIAL TRANSACTIONS AND OPERATIONS
COMPLIED WITH RELEVANT PROVISIONS OF THE ANC LAW

ANC 3D Conducted 11 Meetings in Fiscal Year 1999
and 11 Meetings in Fiscal Year 2000

D.C. Code, Section 1-262(b) states, in relevant part, that:

Each Commission shall meet in public session at regular intervals
at least 9 times per year at locations that are designed to reasonably
accommodate the residents of the Commission area, depending on
the issues to be considered by the Commission.

ANC 3D complied with D.C. Code, Section 1-262(b) by conducting 11 public meetings in
fiscal year 1999 and 11 public meetings in fiscal year 2000 which exceeded the number of public
meetings required by the ANC Law.

ANC 3D Approved All Expenditures in Public Meetings
As Required by the ANC Law

D.C. Code, Section 1-264(f) states, in relevant part, that:

Any expenditure of funds by a Commission shall be recorded by the
treasurer in the Commission’s books of accounts. No expenditure of
any amount shall be made without the specific authorization of the
Commission. [Auditor’s Emphasis]

The Auditor’s review of ANC 3D’s minutes and other relevant documentation indicated that
all expenditures and reimbursements were approved by a majority of Commissioners in a public
meeting of the ANC. Table 2 presents a summary of ANC 3D’s expenditures for fiscal years 1999,
TABLE 2

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>FY 1999</th>
<th>FY 2000</th>
<th>FY 2001 (1st Qtr)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone Service</td>
<td>$444.69</td>
<td>$509.33</td>
<td>$147.96</td>
<td>$1,101.98</td>
</tr>
<tr>
<td>Postage and Delivery</td>
<td>116.25</td>
<td>121.33</td>
<td>0.00</td>
<td>$237.58</td>
</tr>
<tr>
<td>Printing &amp; Copying</td>
<td>489.33</td>
<td>557.69</td>
<td>282.92</td>
<td>$1,329.94</td>
</tr>
<tr>
<td>Purchase of Services</td>
<td>14,100.00</td>
<td>15,000.00</td>
<td>3,900.00</td>
<td>$33,000.00</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>43.19</td>
<td>135.28</td>
<td>0.00</td>
<td>$178.47</td>
</tr>
<tr>
<td>Office Equipment Purchase</td>
<td>83.99</td>
<td>0.00</td>
<td>0.00</td>
<td>$83.99</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>163.35</td>
<td>85.20</td>
<td>14.50</td>
<td>$263.05</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>132.00</td>
<td>67.00</td>
<td>0.00</td>
<td>$199.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$15,572.80</strong></td>
<td><strong>$16,475.83</strong></td>
<td><strong>$4,345.38</strong></td>
<td><strong>$36,394.01</strong></td>
</tr>
</tbody>
</table>

Source: ANC 3D quarterly financial reports

ANC 3D Filed All Fiscal Year 1999 and 2000 Quarterly Financial Reports In a Timely Manner

D.C. Code, Section 1-264(j)(1) states, in relevant part, that:

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 Commission meeting within 45 days after the end of the quarter. A copy of the approved financial report, signed by the Chairperson, the secretary, and the treasurer, shall be filed along with a record of the vote adopting the report, with the Auditor within 15 days of approval.

As detailed in Table 3, except for one report, ANC 3D submitted all fiscal year 1999 quarterly financial reports within 10 days after the filing deadline and all fiscal year 2000 quarterly financial reports before the filing deadline.
TABLE 3
ANC 3D’s Submission of Quarterly Financial Reports
During the Period October 1, 1998 Through September 30, 2000

<table>
<thead>
<tr>
<th>Quarterly Report</th>
<th>Date Approved by Commission</th>
<th>Date Received in Auditor’s Office</th>
<th>Filing Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Quarter 1999</td>
<td>1/8/99</td>
<td>2/22/99</td>
<td>2/12/99</td>
</tr>
<tr>
<td>2nd Quarter 1999</td>
<td>5/10/99</td>
<td>5/24/99</td>
<td>5/14/99</td>
</tr>
<tr>
<td>3rd Quarter 1999</td>
<td>7/12/99</td>
<td>9/8/99</td>
<td>8/16/99</td>
</tr>
<tr>
<td>1st Quarter 2000</td>
<td>2/14/00</td>
<td>2/29/00</td>
<td>3/14/00</td>
</tr>
<tr>
<td>2nd Quarter 2000</td>
<td>4/10/00</td>
<td>5/18/00</td>
<td>6/13/00</td>
</tr>
<tr>
<td>3rd Quarter 2000</td>
<td>7/10/00</td>
<td>9/6/00</td>
<td>9/12/00</td>
</tr>
<tr>
<td>4th Quarter 2000</td>
<td>11/1/00</td>
<td>12/4/00</td>
<td>12/12/00</td>
</tr>
</tbody>
</table>

Source: ANC 3D quarterly financial reports on file with the Office of the D.C. Auditor

ANC 3D’s Administrative Functions Were Performed by Contract Staff

ANC 3D does not maintain an office. All books and records are kept at the home of the ANC’s administrative consultant. Contracts covering fiscal years 1999 and 2000 for the consultant’s services were reviewed by the Auditor and found to be in compliance with the ANC law.

ANC 3D’s Internal Controls Were Adequate to Produce Reliable Financial Information and Ensure That the ANC’s Assets Were Properly Safeguarded

ANC 3D’s internal controls were found to be adequate as evidenced by the following:

- Budgets were presented and properly adopted at public meetings;
- All disbursements were supported by adequate documentation in the form of receipts, invoices, and contracts;
- With one exception, all checks were signed by two Commissioners, one of whom was the chairperson or treasurer;
- ANC 3D’s bank account was reconciled monthly and the Commission was informed of the reconciled bank balance at monthly public meetings;

Page -5-
The Commission's name and "DC Government" were printed on the ANC account and checks; and

ANC 3D participates in the ANC Security Fund.

CONCLUSION

The Auditor found no material weaknesses in ANC 3D's financial transactions and operations. ANC 3D's quarterly financial reports for fiscal year 1999 were submitted within 10 days after the filing deadline and fiscal year 2000 reports were submitted before their respective due dates. ANC 3D's books and records, including supporting documentation, for the period under review were complete and well-organized, and all expenditures were properly approved and reflected in the minutes of public meetings. ANC 3D's internal controls were adequate to produce reliable financial information and ensure that the ANC's assets were properly safeguarded. Overall, ANC 3D's performance of financial responsibilities as required by the ANC Law has been outstanding and is a model for other ANCs to follow.

Respectfully submitted,

[Signature]

Deborah K. Nichols
District of Columbia Auditor