



**Deborah K. Nichols**  
District of Columbia Auditor  
016:03:FM:gk

# **OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR**

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**Audit of Advisory Neighborhood Commission 4C  
for Fiscal Years 2000 through 2003 as of March 31, 2003**

**September 26, 2003**



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Commissioner Timothy Jones  
Chairperson  
Advisory Neighborhood Commission 4C  
737 Rock Creek Church Road, NW  
Washington, D.C. 20010

**Letter Report:** Audit of Advisory Neighborhood Commission 4C  
for Fiscal Years 2000 through 2003 as of March 31,  
2003

Dear Commissioner Jones:

Pursuant to D.C. Code, Section 1-309.13(d)(2), as amended, the District of Columbia Auditor conducted an audit of the financial activities and operations of Advisory Neighborhood Commission (ANC) 4C.

### **OBJECTIVES, SCOPE, AND METHODOLOGY**

The objectives of the audit were to determine whether ANC 4C's:

1. disbursements and financial activities complied with the Advisory Neighborhood Commissions Act of 1975, as amended (ANC Law), legal opinions issued by the Office of the Corporation Counsel, and Financial Management Guidelines issued by the Office of the District of Columbia Auditor; and
2. internal controls were adequate to produce reliable financial information and safeguard the ANC's assets.

The audit covered the period October 1, 1999 through March 31, 2003.

In conducting the audit, the Auditor reviewed available bank statements, canceled checks, invoices, receipts, quarterly financial reports, minutes of public meetings, ANC 4C's bylaws, bank signature cards, and other related financial records. Copies of canceled checks and signature cards that ANC 4C did not provide were obtained directly from the bank by subpoena. The Auditor also obtained invoices directly from one vendor. ANC 4C's chairperson, treasurer, former treasurers, and former secretary were interviewed to obtain additional insight and information on the ANC's financial transactions, procedures, and practices.

**STATEMENT OF BALANCES IN ANC 4C'S CHECKING AND SAVINGS ACCOUNTS AND PETTY CASH FUND AS OF MARCH 31, 2003**

Table I presents ANC 4C's cash and bank balances as of March 31, 2003.

**TABLE I**  
**Statement of ANC 4C's Cash/Bank Balances**  
**As of March 31, 2003**

Petty Cash on Hand	\$ -0-
Checking Account Balance	\$29,115.34*
Savings Account Balance	<u>\$63,970.90*</u>
<b>Total Available Cash</b>	<b>\$93,086.24</b>

\* Source: ANC 4C's bank statements

## FINDINGS

### ANC 4C'S QUARTERLY FINANCIAL REPORTS WERE INCOMPLETE, INACCURATE, AND/OR LATE

The ANC Law requires that the treasurer of each ANC record all disbursements and prepare and submit fully supported quarterly financial reports to the Office of the District of Columbia Auditor. D.C. Code, Sections 1-309.13(f), 1-309.13(i), and 1-309.13(j)(1) state, in relevant part, the following:

Any expenditure of funds by a Commission shall be recorded by the treasurer in the Commission's books of accounts. (D.C. Code, Section 1-309.13(f))

A Commission shall maintain its accounts on a fiscal year basis beginning October 1 and ending September 30. (D.C. Code, Section 1-309.13(i))

The treasurer of a Commission shall prepare a quarterly financial report on a form provided by the (District of Columbia) 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.<sup>1</sup> Each quarterly report shall include copies of canceled checks, bank statements, grant request letters and grant disbursements, invoices and receipts, executed contracts, details about all contributions received during the time period covered by the quarterly report, the minutes of all meetings indicating the Commission's approval of disbursements during the time period covered by the quarterly report, and certification of the Commission's approval of the quarterly financial report signed by the Commission's Secretary. [Auditor's Emphasis] (D.C. Code, Section 1-309.13(j)(1))

The Auditor found that ANC 4C submitted most quarterly financial reports to the Office of the District of Columbia Auditor late, and a significant number of the reports were inaccurate and incomplete at the time of submission. Further, some reports were submitted without copies of canceled checks, invoices, receipts, and other documentation to support reported disbursements.

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<sup>1</sup> Prior to June 27, 2000, D.C. Code, Section 1-309.13(j)(1) stated: "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 30 days of the end of the quarter. A copy of the approved financial report, signed by the Chairman, the secretary, and the treasurer, shall be filed, along with a record of the vote adopting the report with the Auditor within 7 days of approval."

Table II presents the date(s) the Office of the District of Columbia Auditor received each financial report and the due date of the report, as established by the ANC Law in effect at the time the reports were filed.

**Table II  
Due Dates and Receipt Dates of ANC 4C's  
Quarterly Financial Reports for Quarters in the Audit Period**

	<b>Report Period</b>	<b>(A) Report Due Date</b>	<b>(B) Date received by the Office of the D.C. Auditor</b>	<b>(C) Number of days filed after the due date (B-A)</b>
<b>Fiscal Year 2000</b>				
1 <sup>st</sup> Quarter	10/01/99 - 12/31/99	03/14/00	12/27/00 (I)	288
2 <sup>nd</sup> Quarter	01/01/00 - 03/31/00	06/13/00	12/27/00 (I)	197
3 <sup>rd</sup> Quarter	04/01/00 - 06/30/00	09/12/00	12/27/00 (I)	106
4 <sup>th</sup> Quarter	07/01/00 - 09/30/00	12/12/00	12/27/00 (I)	15
<b>Fiscal Year 2001</b>				
1 <sup>st</sup> Quarter	10/01/00 - 12/31/00	03/01/01	03/14/01	13
2 <sup>nd</sup> Quarter	01/01/01 - 03/31/01	05/30/01	05/16/01	n/a
3 <sup>rd</sup> Quarter	04/01/01 - 06/30/01	08/29/01	09/19/01	21
4 <sup>th</sup> Quarter	07/01/01 - 09/30/01	11/29/01	11/20/01	n/a
<b>Fiscal Year 2002</b>				
1 <sup>st</sup> Quarter	10/01/01 - 12/31/01	03/01/02	02/07/02	n/a
2 <sup>nd</sup> Quarter	01/01/02 - 03/31/02	05/30/02	03/20/03**	294
3 <sup>rd</sup> Quarter	04/01/02 - 06/30/02	08/29/02	03/20/03**	203
4 <sup>th</sup> Quarter	07/01/02 - 09/30/02	11/29/02	03/20/03**	111
<b>Fiscal Year 2003</b>				
1 <sup>st</sup> Quarter	10/01/02 - 12/31/02	03/03/03	03/18/03**	15
2 <sup>nd</sup> Quarter	01/01/03 - 03/31/03	05/30/03	05/21/03**	n/a

Source: Office of the District of Columbia Auditor

n/a - not applicable

I - Incomplete reports filed on 2/14/00 and 8/9/00 that were resubmitted on 12/27/00. Copies of invoices, receipts, and other documentation to support reported disbursements were not provided.

\*In the cover letter attached to the report, the ANC's treasurer indicated that "prior to recent written and oral correspondence with [staff of the Office of the District of Columbia Auditor], ANC 4C was of the opinion that [the] office had received our 2<sup>nd</sup> quarterly report."

\*\* The date the report was faxed to the Office of the District of Columbia Auditor. ANC 4C later submitted originals of the pages with signatures of the chairperson, secretary, and treasurer.

Column C of Table II shows that 10, or 71%, of the 14 quarterly reports submitted during the audit period were late, ranging from 13 to 294 days late. The remaining 4 reports were submitted by the due dates. It appeared that the main reason for the Commission's late quarterly financial

report submissions was the failure of the ANC's treasurer to prepare and present reports in a timely manner for the Commission's approval.<sup>2</sup>

As a consequence of ANC 4C's late submission of the second quarter fiscal year 2002 financial report, the ANC did not receive the fourth quarter fiscal year 2002 allotment. The allotment elapsed to the District's General Fund in accordance with D.C. Code, Section 1-309.13(j)(3), which states:

If, on the last day of the fiscal year, a Commission has not received a quarterly allotment because it failed to file a quarterly report approved by the Auditor, the Commission shall forfeit the unclaimed allotment or allotments and the funds shall be returned to the District's General Fund.

The Auditor also found that ANC 4C forfeited other allotments as a consequence of the ANC's failure to timely provide required supporting documentation with quarterly financial reports. For example, after a review of fiscal year 2000 quarterly financial reports, which lacked copies of invoices, receipts, and other supporting documentation, the Office of the D.C. Auditor did not recommend the release of the allotment for the third quarter of fiscal year 2000 and also requested the Office of Financial Operations and Systems (OFOS) to withhold \$8,298.34 from ANC 4C's allotments for the fourth quarter of fiscal year 2000 and the first and second quarters of fiscal year 2001. OFOS withheld \$7,298.34 of the \$8,298.34. It appeared that OFOS made an error when processing the payment for the fourth quarter FY 2000 allotment. Thus, the Auditor will recommend that the Office of Finance and Resource Management<sup>3</sup> withhold the additional \$1,000.

### **RECOMMENDATIONS:**

1. The Associate Chief Financial Officer of the Office of Finance and Resource Management (OFRM) deduct \$1,000 from ANC 4C's next quarterly allotment.
2. ANC 4C must file quarterly financial reports with the Office of the District of Columbia Auditor by the due date established under the ANC Law. The reports must be signed by the required ANC officers and submitted with the required supporting documentation.

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<sup>2</sup> Minutes of some ANC 4C meetings inaccurately reported the approval of quarterly financial reports. This started with the minutes of a meeting held on March 4, 2001, which reported that the Commission approved the fourth quarter FY 2000 report instead of the first quarter FY 2001 report. The fourth quarter FY 2000 report was previously approved at a Commission meeting held on December 12, 2000. The Auditor's analysis was based on the correct information.

<sup>3</sup> At the start of fiscal year 2003, the responsibility for disbursing District appropriated funds to ANCs was transferred from the Office of Financial Operations and Systems to the Office of Finance and Resource Management.

**ANC 4C PROVIDED SOME, BUT NOT ALL, SUPPORTING DOCUMENTATION THAT SHOULD HAVE BEEN SUBMITTED WITH QUARTERLY FINANCIAL REPORTS**

The ANC Law requires that ANCs maintain documentation to justify and support all disbursements. D.C. Code, Section 1-309.13(j)(1) states, in relevant part, the following:

The Commission shall make available for on-site review to the Auditor, upon the Auditor's request, originals of documents required to be submitted with quarterly financial reports, pursuant to this section.

ANC 4C's current treasurer could not provide numerous canceled checks, invoices, receipts, and grant applications that were also not provided with quarterly financial reports.<sup>4</sup> ANC 4C's current secretary and treasurer also could not provide minutes of any meetings held in fiscal year 2000 which should have contained information regarding the Commissioners' approval of disbursements listed in quarterly financial reports that should have been filed during that period.

The Auditor attempted to obtain from other sources some of the supporting documentation the ANC's current treasurer could not provide. In addition to requesting copies of missing canceled checks from the ANC's bank, the Auditor requested missing documentation from one vendor and also from former ANC 4C treasurers and other Commissioners. The vendor provided invoices,<sup>5</sup> a former treasurer provided a grant application, and two other Commissioners provided various other documents.

Table III presents a summary of the disbursements that were inadequately supported. A detailed listing is shown in Appendix I.

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<sup>4</sup> ANC 4C did not maintain an office. The ANC's accounting records were transferred from treasurer to treasurer.

<sup>5</sup> After the Auditor requested and obtained invoices from the vendor, Miller Copying Service, ANC 4C's current treasurer provided the Auditor with copies of invoices claiming that "the Miller invoices were in our messy files." In addition to Miller Copying invoices, the treasurer also provided sections of Bell Atlantic invoices to support payments for phone service in fiscal year 2000.

**TABLE III**  
**ANC 4C**  
**Inadequately Supported Disbursements Compared With Total Disbursements\***  
**During The Period October 1, 1999 through March 31, 2003**

	Fiscal Year 2000		Fiscal Year 2001		Fiscal Year 2002		Fiscal Year 2003 through 03/31/2003		Total	
	Total Disb.	Inadeq. Supp.	Total Disb.	Inadeq. Supp.	Total Disb.	Inadeq. Supp.	Total Disb.	Inadeq. Supp.	Total Disb.	Inadeq. Supp.
Telephone (Voicemail)	771.24	771.24	1,010.67	0.00	634.50	0.00	669.51	0.00	3,085.92	771.24
Fee for a P.O. Box	114.00	114.00	150.00	0.00	150.00	0.00	200.00	0.00	614.00	114.00
Postage	0.00	0.00	33.00	0.00	0.00	0.00	0.00	0.00	33.00	0.00
Printing and Copying	2,140.96	1,406.96	1,969.26	0.00	205.38	0.00	0.00	0.00	4,315.60	1,406.96
Purchase of Services	0.00	0.00	60.00	0.00	0.00	0.00	0.00	0.00	60.00	0.00
Refreshments	0.00	0.00	201.03	0.00	0.00	0.00	0.00	0.00	201.03	0.00
Reimbursements **	334.59	334.59	1,749.68	0.00	640.50	83.92	388.11	0.00	3,112.88	418.51
Grants	6,209.21	6,209.21	2,083.56	2,083.56	2,768.97	2,768.97	930.72	930.72	11,992.46	11,992.46
ANC Security Fund	94.00	94.00	102.00	0.00	102.00	0.00	25.00	0.00	323.00	94.00
Bank charges and fees	68.17	0.00	415.05***	0.00	0.00	0.00	15.00	0.00	498.22	0.00
Other	0.00	0.00	925.56	0.00	0.00	0.00	0.00	0.00	925.56	0.00
Total	9,732.17	8,930.00	8,699.81	2,083.56	4,501.35	2,852.89	2,228.34	930.72	25,161.67	14,797.17
% of total	100%	91.76%	100%	23.95%	100%	63.38%	100%	41.77%	100%	58.81%

Source: ANC 4C's Quarterly Financial Reports and the Office of the District of Columbia Auditor

\* Disbursements include disbursements from both the checking and savings accounts.

\*\* Represents reimbursements paid to ANC 4C Commissioners for goods and services purchased.

\*\*\* Includes: \$100.61 for checks returned due to insufficient funds, \$173.64 for new checks, \$27 for copies of bank statements, and service charges totaling \$113.80.

As shown in Table III, ANC 4C could not adequately support any grants, which made up 81.1% of all inadequately supported disbursements and 47.7% of total disbursements during the audit period. Of the 8 grants issued by the ANC in fiscal year 2000, the Auditor obtained and reviewed only one ANC 4C grant request that was submitted by the grant recipient, and a statement on the use of funds from another grant recipient. ANC 4C could not provide minutes showing that a majority of ANC 4C Commissioners approved the grants in a public meeting at which a quorum was present, as required by the ANC Law. ANC 4C also could not provide invoices or receipts to support payments to vendors that were reported as grants in quarterly financial reports. For example, ANC 4C could not provide invoices or receipts to support payments to Motophoto, The Newsroom, The Paper Store, Johnson Senior Home, and Utrecht Art Supply that were reported as payments for an inter-generational “jolly” grant.

ANC 4C Commissioners interviewed by the Auditor indicated that in fiscal year 2000, the ANC supported an inter-generational project that was proposed by Miss D.C.<sup>6</sup> According to the Commissioners, Miss D.C. proposed a community program to bring together children and seniors. ANC 4C supported the inter-generational project by paying vendors directly. Yet, the ANC could not provide invoices or receipts for the Auditor’s review. There was also no grant application describing the inter-generational “jolly” grant and detailing how the funds granted would be used. As previously mentioned, the grant application and receipts were also not submitted with the quarterly financial report for the period covered by these disbursements.

With the exception of fiscal year 2000, ANC 4C’s files included grant applications to support almost all of the 9 grants awarded by the ANC in fiscal years 2001, 2002, and 2003 through March 31, 2003. Minutes of ANC 4C meetings also indicated that a majority of Commissioners approved the grants awarded during this period. However, the ANC’s treasurer could not provide receipts from all grant recipients or receipts to support all payments made directly to vendors that were reported as grants. D.C. Code, Section 1-309.13(m) requires that:

. . .An applicant for a grant must submit an application in writing to the Commission.... Within 60 days following the issuance of a grant, the grant recipient shall forward to the Commission a statement as to the use of the funds consistent with the grant application, complete with receipts which support the expenditures. Grant disbursements shall be included in quarterly financial reports submitted to the Auditor.<sup>7</sup> [Auditor’s Emphasis]

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<sup>6</sup> In 2000, Rashida Jolley was crowned Miss D.C. which may be why the grant was called the “jolly” grant.

<sup>7</sup> Prior to June 27, 2000, D.C. Code, Section 1-309.13(m) did not require ANCs to obtain from grant recipients a statement on how grant funds were used and receipts.

The Auditor found that ANC 4C awarded more than one grant to some organizations. For example, ANC 4C paid a \$1,000 grant to the Youth Organizations United to Rise (Y.O.U.R.) Community Center on May 8, 2001 and another \$1,000 grant to the Y.O.U.R. Community Center on July 22, 2002. The ANC could have required the organization to submit receipts in support of the first grant before awarding the second grant. The Office of Corporation Counsel issued an opinion, dated April 20, 1994, that states:

If a grantee fails to abide by an accounting requirement attached to a grant, a practical remedy available to the ANC is to refuse to make any further grants to that grantee.

**RECOMMENDATIONS:**

1. ANC 4C must maintain original invoices, receipts, agreements and other supporting documentation for at least a five-year period.
2. ANC 4C's Secretary must ensure that minutes of Commission meetings are complete, accurate, and maintained in the ANC's records for a minimum of 5 years.
3. ANC 4C must maintain all canceled checks, mutilated and voided checks for at least five (5) years for audit and accounting purposes.
4. The Associate Chief Financial Officer of the Office of Finance and Resource Management deduct \$5,867.17 from ANC 4C's next quarterly allotment. This represents the total inadequately supported disbursements less those disbursements previously disallowed and withheld from the ANC's allotments. The \$5,867.17 includes grants totaling \$5,783.25 that were awarded by ANC 4C in fiscal years 2001, 2002, and 2003 as of March 31, 2003 and \$83.92 reimbursed to Commissioners in fiscal year 2002.
5. ANC 4C must ensure that grant recipients are informed that they need to submit receipts in addition to a statement on how grant funds were used within 60 days following the disbursement of a grant. ANC 4C must also follow-up with grant recipients to ensure receipts are obtained.
6. If a grant recipient fails to submit the required statement and receipts, ANC 4C should inform the organization that it will not be eligible to apply for or receive future grant funds.

**CONTROLS OVER DISBURSEMENTS WERE INADEQUATE AND DID NOT ENSURE COMPLIANCE WITH THE ANC LAW AND FINANCIAL MANAGEMENT GUIDELINES**

Available invoices, receipts and other supporting documentation the Auditor reviewed indicated that ANC 4C's internal controls over disbursements were inadequate and did not ensure compliance with spending requirements of the ANC Law, legal opinions issued by the Office of Corporation Counsel, and guidelines issued by the Office of the D.C. Auditor. The Auditor found the following violations in ANC 4C's management and use of District appropriated funds.

**ANC 4C Did Not Adequately Review Reimbursement Requests Before Payment to Prevent Fraud, Waste and Abuse**

ANC 4C did not follow guidelines issued by the Office of the District of Columbia Auditor which state, in relevant part, the following:

ANCs [Commissioners] must discontinue the practice of routinely paying vendors that provide goods and services to the ANC from their personal funds and then requesting a reimbursement from the ANC. The ANC must pay its vendors directly for goods and services provided to the ANC.

During the audit period, ANC 4C reimbursed its Commissioners \$3,112.88, or 12.4%, of total disbursements. Total reimbursements per Commissioner ranged from \$14.81 to \$1,288.77 and included payments for refreshments, copying, postage, transportation, supplies, and the distribution of flyers. Table IV shows reimbursements to ANC 4C Commissioners between October 1, 1999 and March 31, 2003.

**TABLE IV  
Reimbursements to Commissioners  
For Out-of-Pocket Expenditures During the Audit Period**

Reimbursement to	Check Number	Date	Amount	Purpose of Expenditure reported in quarterly financial reports/ Comments
V. Portis	1858	12/14/1999	40.00	Copying charges (no receipts)
<i>Total V. Portis</i>			<i>40.00</i>	
S. Fish	1862	01/25/2000	46.39	Copying (no receipts)
<i>Total S. Fish</i>			<i>46.39</i>	
M. McQuarter	1867	05/09/2000	32.66	Refreshments (no receipts)

M. McQuirter	1894	10/10/2000	47.54	Copying and refreshments (\$23.39) for SMD meeting
M. McQuirter	1897	11/14/2000	134.96	Copying and refreshments (\$42.25) for SMD meeting
<b>Total M. McQuirter</b>			<b>215.16</b>	
A. Christophe	1869	05/09/2000	20.78	Refreshments (no receipts)
A. Christophe	1872	05/09/2000	19.76	Refreshments (no receipts)
A. Christophe	1895	10/10/2000	84.72	Copying and refreshments (\$19.76) for SMD meeting
A. Christophe	1898	11/14/2000	46.52	Copying for SMD meeting
<b>Total A. Christophe</b>			<b>171.78</b>	
J. Turner	1910	04/10/2001	59.70	Refreshments (\$29.70), distribution of flyers
<b>Total J. Turner</b>			<b>59.70</b>	
S. Truesdale	1914	04/10/2001	215.58	Distribution of flyers (\$120), postage, and cartridges
<b>Total S. Truesdale</b>			<b>215.58</b>	
M. Young	1927	06/12/2001	30.32	Refreshments for SMD meeting
<b>Total M. Young</b>			<b>30.32</b>	
T. Jones	1853	11/26/99	52.36	Copying (no receipts)
T. Jones	1868	05/09/2000	103.80	Copying (no receipts)
T. Jones	1873	05/09/2000	18.84	Refreshments (no receipts)
T. Jones	1893	10/10/2000	67.33	Copying and Supplies
T. Jones	1899	11/14/2000	69.82	Copying, distribution of flyers (for SMD meeting)
T. Jones	1929	06/12/2001	177.00	Copying, office supplies, transportation, flyer distrib.
T. Jones	1933	07/10/2001	10.99	Copying, supplies
T. Jones	1938	09/18/2001	22.71	Copying, Metro fares, taxi fare
T. Jones	1947	12/11/2001	65.98	Copying, supplies
T. Jones	1952	01/08/2002	69.87	No receipts
T. Jones	1955	03/12/2002	62.71	Copying, supplies, Metro fares, taxi fare
T. Jones	1969	03/11/2003	106.29	Copying, transportation, postage, supplies
<b>Total T. Jones</b>			<b>827.70</b>	
G. Brown	1911	04/10/2001	146.62	Distribution of flyers (\$50), copying, refreshments
G. Brown	1915	04/10/2001	33.24	Copying and refreshments (\$18.22) for SMD meeting
G. Brown	1928	06/12/2001	251.17	Copying and refreshments (\$52.51)
G. Brown	1937	09/18/2001	351.86	Copying, postage and refreshments (\$33.90)

G. Brown	1941	10/09/2001	51.32	Refreshments (\$26.24), copying for SMD meeting
G. Brown	1948	12/11/2001	57.53	Refreshments (18.30), copying for SMD meeting
G. Brown	1951	01/08/2002	50.65	Refreshments (\$11.42), copying for SMD meeting
G. Brown	1957	05/14/2002	161.56	Refreshments (\$22.84), copying, cassettes
G. Brown	1962	09/17/2002	106.07	Copying, supplies, missing receipts to support \$14.05
G. Brown	1966	02/11/2003	78.75	Copying
<b>Total G. Brown</b>			<b>1,288.77</b>	
S. Fenty	1940	10/09/2001	14.81	Copying charges
<b>Total S. Fenty</b>			<b>14.81</b>	
K. Archer	1967	02/11/2003	48.73	Copying charges
<b>Total K. Archer</b>			<b>48.73</b>	
K. Barden	1968	02/11/2003	53.16	Copying and Supplies
<b>Total K. Barden</b>			<b>53.16</b>	
S. Leraris	1970	03/11/2003	33.10	Postage and Copying
S. Leraris	1973	03/11/2003	68.08	Copying charges
<b>Total S. Leraris</b>			<b>101.18</b>	
<b>Grand Total</b>			<b>3,112.88</b>	

Source: ANC 4C records and quarterly financial reports

As previously mentioned, ANC 4C could not provide receipts to support all reimbursements to Commissioners. There were no receipts to support \$334.59 in fiscal year 2000 reimbursements. Receipts were also missing for \$83.92 reimbursed to Commissioners in fiscal year 2002. The Auditor reviewed receipts that supported the remaining reimbursements totaling \$2,694.37.

The Auditor found that: 1) receipts attached to reimbursement requests were not always originals and were not always clear and readable; 2) receipts did not always detail what was purchased or who provided the service; and 3) Commissioners did not always justify the reimbursement by indicating the purpose of the expenditure. One request for reimbursement was submitted seven months after the purchase date on the receipt. The Auditor also found that the ANC made duplicate reimbursements totaling \$248.32 that were not detected by ANC 4C's treasurer. The Auditor found that ANC 4C check signers did not adequately review reimbursement requests. Proper review of receipts should have prevented the duplicate reimbursements. Table V shows duplicate reimbursements made to a Commissioner.

**Table V**  
**Duplicate Payments to ANC 4C Commissioner George Brown**  
**During the Period October 1, 1999 through March 31, 2003**

Vendor	Invoice date	Invoice number	Amount	Included in reimbursement request dated	Date of Reimbursement to Commissioner	Check Number	Payee
Office Depot	06/03/01	0704	\$149.53	06/12/01	06/12/01	1928	G. Brown
Office Depot	06/03/01	0704	\$149.53	09/11/01	09/18/01	1937	G. Brown
Office Depot	06/03/01	0699	\$12.99	06/12/01	06/12/01	1928	G. Brown
Office Depot	06/03/01	0699	\$12.99	09/11/01	09/18/01	1937	G. Brown
Giant	06/06/01	7:55am	\$13.30	06/12/01	06/12/01	1928	G. Brown
Giant	06/06/01	7:55am	\$13.30	09/11/01	09/18/01	1937	G. Brown
Costco	04/18/01	12:18	\$11.42	06/12/01	06/12/01	1928	G. Brown
Costco	04/18/01	12:18	\$11.42	09/11/01	09/18/01	1937	G. Brown
Costco	06/05/01	15:13	\$10.43	06/12/01	06/12/01	1928	G. Brown
Costco	06/05/01	15:13	\$10.43	09/11/01	09/18/01	1937	G. Brown
Office Depot	11/24/01	9268	\$24.26	12/11/01	12/11/01	1948	G. Brown
Office Depot	11/24/01	9268	\$24.26	01/18/02	01/08/02	1951	G. Brown
Office Depot	11/27/01	9696	\$14.97	12/11/01	12/11/01	1948	G. Brown
Office Depot	11/27/01	9696	\$14.97	01/18/02	01/08/02	1951	G. Brown
Costco	11/28/01	13:48	\$11.42	12/11/01	12/11/01	1948	G. Brown
Costco	11/28/01	13:48	\$11.42	01/18/02	01/08/02	1951	G. Brown
<b>Total Duplicate Payments</b>			<b>\$248.32</b>				

Source: ANC 4C records and quarterly financial reports

As shown in Table IV, Commissioners used their personal funds to purchase refreshments for single-member district meetings and then requested reimbursement from the ANC. During the audit period, ANC 4C reimbursed Commissioners \$421.29 for the purchase of refreshments that did not comply with the ANC Law. A legal opinion issued by the Office of the Corporation Counsel, dated March 11, 1992, states the following:

The Commission Report on Bill 8-626 does not address the Council's intent as to the meaning of [Commission meetings]. However, when the Advisory Neighborhood Councils Act of 1975 elsewhere uses the term "Commission meetings," it is in reference to the regularly scheduled public meetings that each ANC is required to hold annually... Therefore, I construe the Council's intent to be that the nominal refreshments authorized by §16(1) may be served only at regularly scheduled public meetings of the ANC. [Auditor's Emphasis]

The ANC Law does not permit ANCs to use public funds to purchase refreshments for single-member district meetings or any other meetings except regularly scheduled public meetings of the ANC.

Minutes of ANC 4C meetings indicated that the Commission authorized reimbursements after expenditures were made. This practice allowed Commissioners to purchase goods and services at their discretion and also increased the risk of waste and misuse of the ANC's funds. For example, one Commissioner requested reimbursement of expenses for a "walk-through" of his single-member district. A report provided to the Auditor by the Commissioner indicated that in June 2001 an inspection team consisting of personnel from various D.C. Government agencies walked through the Commissioner's single-member district to identify problems and issues. Available minutes of ANC 4C meetings did not indicate that prior to the request for reimbursement for this activity, the Commissioner mentioned the walk-through at a public meeting of the ANC.

#### **RECOMMENDATIONS:**

1. ANC 4C must discontinue the practice of routinely reimbursing Commissioners for goods and services purchased using their own funds. In cases where reimbursement to a Commissioner is necessary, the ANC should obtain original receipts and perform a more rigorous review of reimbursement requests.

2. Commissioner Brown must repay ANC 4C \$248.32 for questionable and improper reimbursements. If the Commissioner fails to reimburse the ANC within 45 days of the date of this report, the Auditor will refer this matter to the Office of the Corporation Counsel to initiate the appropriate legal action to recover the funds.
3. The Associate Chief Financial Officer of the Office of Finance and Resource Management deduct \$421.29 from ANC 4C's next quarterly allotment. This represents the cost of refreshments for single-member district meetings.

**ANC 4C Did Not Establish a Budget in Fiscal Years 2001, 2002 or 2003 and Disbursements Totaling \$1,407.30 for Ongoing Operating Expenses Were Not Specifically Authorized by the Commission**

D.C. Code, Section 1-309.10(n) states, in relevant part, that:

Each Commission shall develop an annual fiscal year spending plan budget for the upcoming fiscal year. . . . Prior to adoption of the budget at a public meeting, the Commission shall present the budget at a public meeting of the Commission to elicit comments from the residents of the Commission area.

The Auditor found that ANC 4C did not comply with D.C. Code, Section 1-309.10(n) by developing annual spending plan budgets in fiscal years 2001, 2002 or 2003. Available minutes of ANC 4C meetings did not indicate that Commissioners discussed and adopted a spending plan budget in those fiscal years. Commissioners interviewed by the Auditor also indicated that the ANC did not develop budgets in fiscal years 2001, 2002, and 2003.

Budgets or spending plans would have enabled the Commission to plan the use of its resources each year and involve residents of the Commission area in the planning process. Budgets would also have enabled the ANC to pay monthly ongoing operating expenses without requiring the Commissioners' approval of these expenses each month prior to disbursement.

Available minutes indicated that, in some cases, a majority of ANC 4C Commissioners specifically approved the payment of ongoing operating expenses such as telephone service and the fee for a post office box. In other instances, disbursements were made without the Commissioners' approval. The Auditor observed that disbursements totaling \$1,407.30 for ongoing operating expenses were not specifically approved by a majority of ANC 4C Commissioners prior to disbursement. These disbursements violated D.C. Code, Section 1-309.13(f), which states, in relevant part, that:

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

**RECOMMENDATIONS:**

1. ANC 4C must adopt annual spending plan budgets.
2. ANC 4C must ratify the unauthorized disbursements totaling \$1,407.30 within 45 days of the date of this report and provide the Auditor with minutes setting forth the Commissioners' approval. Failure to ratify the disbursements will result in the disallowance of \$1,407.30 from the ANC's next quarterly allotment.

**Available Minutes of ANC 4C Meetings Did Not Indicate That a Majority of Commissioners Authorized the Payment of Copying Charges Totaling \$2,174.64 in Fiscal Years 2001 and 2002**

During the audit period, ANC 4C paid \$4,315.60 directly to vendors for copies made by ANC 4C Commissioners. ANC 4C paid \$2,140.96 in fiscal year 2000, \$1,969.26 in fiscal year 2001, and \$205.38 in fiscal year 2002. These charges were in addition to copying charges included in reimbursement requests submitted by individual Commissioners.

The Auditor found that the minutes of ANC 4C meetings did not indicate that a majority of Commissioners specifically authorized the payment of copying charges to vendors in fiscal years 2001 and 2002. The former Commissioner who was treasurer during calendar year 2001 indicated that she did not present the invoices for the Commission's approval because the expenditures were routine. The Auditor disagrees with this view. Copying expenditures are not considered a routine operating expense. Even if this assertion was valid, the ANC still failed to approve a spending plan budget to cover copying expenses, thus, requiring the Commissioners' specific authorization of these expenditures.

Available minutes of ANC 4C meetings did not indicate that ANC 4C Commissioners questioned the payments when they approved the applicable quarterly financial reports.

The Auditor reviewed invoices to support payments totaling \$4,121.60. These invoices were all for copy services provided by Miller Copying.<sup>8</sup> The 87 invoices reviewed by the Auditor indicated that ANC 4C Commissioners made over 70,000 copies. The invoices did not detail what was duplicated, but indicated that some Commissioners made copies of documents with 62, 82, and even 218 pages. The Auditor noted that: 1) ANC 4C's checks to Miller Copying usually paid several invoices and the sum of the invoices did not always agree with the amount on the checks; 2) Miller Copying could not provide three invoices that ANC 4C reportedly paid in fiscal year 2000, as noted on the checks; and 3) one invoice Miller Copying provided, invoice number 855, showed copying charges totaling \$315.18 for copies made for *Arena Stage*. The Auditor's examination indicated that ANC 4C Commissioners may have misused ANC funds to pay for copying expenses unrelated to the ANC. The Auditor will closely monitor and investigate future copying expenses generated by ANC 4C Commissioners that are paid with ANC funds.

**RECOMMENDATIONS:**

1. ANC 4C must ratify the unauthorized disbursements totaling \$2,174.64 within 45 days of the date of this report. Should the ANC refuse to ratify some or all of the disbursements, the Associate Chief Financial Officer of the Office of Finance and Resource Management (OFRM) must deduct the amount not ratified from ANC 4C's next quarterly allotment.
2. A majority of ANC 4C Commissioners must specifically approve all disbursements in a public meeting at which a quorum is present. The exception is ongoing, routine, operating expenses which must be included in an annual spending plan budget properly approved by the Commission. Copying expenses are not routine operating expenses.

**A \$925.56 Check Was Issued in July 2001 with Only the Signature of the Former Treasurer**

To ensure proper control over funds, the ANC Law requires that at least two Commissioners sign all ANC checks after the expenditure is specifically authorized by a majority of Commissioners in a public meeting. D.C. Code, Section 1-309.13(f) states, in relevant part, that:

. . . No expenditure of any amount shall be made without the specific

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<sup>8</sup> Of the total \$4,315.60 ANC 4C paid for copying and printing during the audit period, \$4,121.60 or 95.5% of the total were payments to Miller Copying Service. The additional \$194 were payments to Communication Press.

authorization of the Commission. 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. The check shall, prior to signature, contain the date of payment, the name of the payee, and the amount of the payment.... [Auditor's Emphasis]

In violation of the ANC Law, the Auditor found that check number 1934 for \$925.56, was issued with only the signature of the former treasurer. The check was issued to Capitol Signs on July 16, 2001 for 50 "curb dog signs."<sup>9</sup>

The former treasurer, who signed the check, stated that she did not intend to issue the check with one signature. The former treasurer recalled that she signed the check and gave it to the chairperson for signature. She believed that the chairperson gave the check to the vendor forgetting to sign it. According to the former treasurer, the signs were to be distributed in the chairperson's single-member district.

ANC 4C's files included an invoice in support of this expenditure, but available minutes of ANC 4C meetings did not indicate that a majority of Commissioners authorized the expenditure. Minutes of a March 2001 ANC 4C meeting indicated that a Commissioner suggested a curb dog sign for a public school and the treasurer suggested placing signs in the neighborhood. The minutes did not indicate that the other Commissioners discussed the expenditure, reviewed the potential costs of the signs, or even voted on the expenditure. The April, May, June, and July 2001 minutes also did not reflect that the Commission authorized the purchase of curb dog signs.

Commissioners interviewed by the Auditor also could not explain the expenditure. One Commissioner recalled that the Commission agreed to purchase dog signs for a school to communicate to dog owners that they needed to clean up after their dogs. However, the Commissioner noted that the amount seemed too large for that purpose.

The Auditor noted that ANC 4C's bank honored the check even though it had one signature. A bank official informed the Auditor that in July 2001, when the check was paid, the bank closely examined signatures on checks for \$2,500 and up.<sup>10</sup> The bank honored check number 1934 because the amount of the check was \$925.56 which was less than the \$2,500 threshold.

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<sup>9</sup> The Office of the District of Columbia Auditor disallowed this expenditure after a review of the applicable financial report.

<sup>10</sup> The threshold is now \$1,500.

Commissioners' review of the quarterly financial report was the last level of ANC control, but that also failed. Minutes of a November 2001 ANC 4C meeting indicated that Commissioners approved the financial report in which the disbursement was listed, but did not question it. However, it is not known if Commissioners reviewed a quarterly report similar to the one that was submitted to the Office of the D.C. Auditor.

**RECOMMENDATIONS:**

1. ANC 4C must ensure that all checks issued are signed by the Treasurer or Chairperson and one other Commission officer. Check-signers should review supporting documentation and verify the Commission's approval of the expenditures.
2. The Associate Chief Financial Officer of the Office of Finance and Resource Management deduct \$925.56 from ANC 4C's next quarterly allotment in that this disbursement violated D.C. Code, Section 1-309.13(f).

**Check Number 1956 Was Issued Out of Sequence Reportedly as a \$400 Grant to a Public School to Purchase Parenting Books**

The Auditor found that check number 1956 was issued out of sequence. Check numbers 1957 and 1958 were both dated May 14, 2002, but were issued before check number 1956, which was dated July 7, 2002. This violated D.C. Code, Section 1-309.13(f) which states that "...Any check shall be pre-numbered ... and shall be issued in consecutive order."

The Auditor also found that check number 1956 disbursed \$400 to "The Girls and Boys Town of Washington, D.C." for 40 parenting books purchased by the McFarland Middle School. The purchase of parenting books for the McFarland School, a District public school, was an improper use of the ANC's funds. ANCs are not permitted to make grants to public schools directly or indirectly. The Office of Corporation Counsel issued an opinion dated May 26, 1994, that states the following on grants to public schools:

. . . In 1986 this Office advised ANC 6-B that it could not make a grant directly to a public school "in order to support activities such as computer literacy programs, musical instruction or cultural field trips," but could fund such activities "by grant to a PTA, if they do not duplicate existing programs." . . . The reason . . . is that "Congress appropriates separate amounts for expenditure by ANCs and by the public schools," and that certain statutory procedures must be followed before appropriated funds

may be shifted from one government entity to another. . . Since the statutory law has not changed in this regard, the advice given in 1986 to ANC 6-B is equally applicable here. Namely (ANCs) may not make a grant directly to (a public school), but may make a grant to (the school's) parent-teacher association, or its equivalent, for the purposes recited above.

### **RECOMMENDATIONS:**

1. ANC 4C must issue all checks in sequential order.
2. In accordance with D.C. Code, Section 1-309.13(m), an applicant for a grant must submit an application in writing to the Commission. ANC 4C must include copies of grant request letters or applications in quarterly financial reports submitted to the Office of the D.C. Auditor, as required by D.C. Code, Section 1-309.13(j)(1), and also maintain the documentation in the ANC's files. This grant was previously recommended for deduction because it was inadequately supported so it will not be recommended for deduction again here.

### **ANC 4C Did Not Fully Comply with the Bonding Requirements of the ANC Law**

The ANC Law requires that each Commission bond its treasurer and chairperson or that the ANC participate in the Advisory Neighborhood Commission Security Fund. The ANC Law also requires the treasurer of each Commission to submit a statement of information to the Office of the D.C. Auditor. Specifically, D.C. Code, Section 1-309.13(c) states, in relevant part, the following:

The treasurer of each Commission shall file with the Office of the District of Columbia Auditor ("Auditor"), within 30 days of assuming the office of treasurer or within 30 days of any change in the requested information, on a form provided by the Auditor, a statement that includes the treasurer's name, home and business address and telephone number, the location of the books and records of the Commission and the name and location of any depository of the Commission's funds, including account numbers. The treasurer and Chairperson shall file with the Auditor and maintain in force during their occupancy of their respective offices, a cash or surety bond in an amount and on a form satisfactory to the Auditor. Participation by a Commission in the Advisory Neighborhood Commission Security Fund ... shall satisfy the requirement of a cash or surety bond....No expenditure shall be made by a Commission during a vacancy in the office of treasurer or at any time when a current and accurate statement and bond or its equivalent are not on file with the Auditor. [Auditor's Emphasis]

The Auditor found that ANC 4C did not fully comply with the requirements of the ANC Law. First, on May 19, 2000, the Office of the D.C. Auditor received ANC 4C's fee to participate in the ANC Security Fund for the period January 1, 2000 through December 31, 2000, approximately four months late. In violation of the ANC Law, ANC 4C spent \$2,744.67 from January 24, 2000 through May 9, 2000 when the treasurer and chairperson were not bonded. Further, copies of canceled checks indicated that during the period January 24, 2000 through May 9, 2000 a former chairperson signed checks. This individual was not bonded and was apparently no longer an officer of the Commission when he signed the checks. D.C. Code, Section 1-309.13(f) 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  
[Auditor's Emphasis]

Secondly, the Office of the District of Columbia Auditor received ANC 4C's fee to participate in the ANC Security Fund for the period January 1, 2002 through December 31, 2002 on May 15, 2002. The Office never received a statement of information for the new treasurer. In violation of the ANC Law, the treasurer failed to submit a statement that included his name, home and business address and telephone number to the Office of the District of Columbia Auditor within 30 days of assuming the office of treasurer. During 2002, ANC 4C expended \$3,504.17 when the treasurer and chairperson were not bonded or a current and accurate statement for the treasurer was not on file with the Office of the D.C. Auditor. Table VI presents ANC 4C checks issued when the treasurer and chairperson were not bonded or a current and accurate statement for the treasurer was not on file with the Office of the D.C. Auditor, in violation of D.C. Code, Section 1-309.13(c).

**Table VI**  
**ANC 4C Checks That Were Issued When the ANC's Treasurer and Chairperson**  
**Were Not Bonded or a Current and Accurate Statement For the Treasurer**  
**Was Not on File at the Office of the D.C. Auditor**

Check Number	Date Issued	Payee	Purpose of Expenditure	Amount	Supporting Documentation Adequate?
<b>Fiscal Year 2000:</b>					
1859	1/24/2000	Miller Copying	Copying for meetings	\$674.00	Yes
1860	1/24/2000	Miller Copying	Copying for meetings	60.00	Yes
1861	1/25/2000	Communication Press	Copying for meetings	75.00	No
1862	1/25/2000	Susie Fish	Reimbursement	46.39	No

1863	3/14/2000	Satchel Paige LL	Grant - Admin. exp.	1,000.00	No
1864	3/14/2000	Bell Atlantic	Phone Service	212.25	No
1865	3/21/2000	Miller Copying	Copying for meetings	247.00	No
1866	5/8/2000	Bell Atlantic	Phone Service	140.19	No
1867	5/9/2000	Mary McQuarter	Reimbursement	32.66	No
1868	5/9/2000	Timothy Jones	Reimbursement	103.80	No
1869	5/9/2000	Angela Christophe	Reimbursement	20.78	No
1871	5/9/2000	ANC Security Fund	ANC Security Fund	94.00	No
1872	5/9/2000	Angela Christophe	Reimbursement	19.76	No
1873	5/9/2000	Timothy Jones	Reimbursement	18.84	No
<b>Total Disbursements in fiscal year 2000</b>				<b>\$2,744.67</b>	
<b>Fiscal Year 2002:</b>					
1953	3/12/2002	Verizon	Phone Service	\$141.75	Yes
1954	3/12/2002	Barnard Elem. School PTA	Grant	316.97	No
1955	3/12/2002	Timothy Jones	Reimbursement	62.71	Yes
1956	7/7/2002	Girls & Boys Town of WDC	Grant	400.00	No
1957	5/14/2002	George Brown	Reimbursement	161.56	Yes
1958	5/14/2002	ANC Security Fund	ANC Security Fund	102.00	Yes
1959	7/7/2002	Verizon	Phone Service	213.11	Yes
1960	7/22/2002	Y.O.U.R. Community Center	Grant	1,000.00	No
1961	9/17/2002	Mt. Carmel Church	Grant	1,000.00	No
1962	9/17/2002	George Brown	Reimbursement	106.07	No
<b>Total Disbursements in fiscal year 2002</b>				<b>\$3,504.17</b>	
<b>Grand Total</b>				<b>\$6,248.84</b>	

Source: ANC 4C records and quarterly financial reports

### **RECOMMENDATIONS:**

1. ANC 4C's treasurer must submit a statement that includes the treasurer's name, home and business address and telephone number within 30 days of assuming the office of treasurer. The ANC must also bond new treasurers and chairpersons or the ANC must

participate in the ANC Security Fund. Any expenditures made when these requirements are not met will result in the deduction of such expenditures from the ANC's future allotments.

2. The Associate Chief Financial Officer of the Office of Finance and Resource Management deduct \$1,415.13 from ANC 4C's next quarterly allotment. This represents the amount ANC 4C expended when the ANC's treasurer and chairperson were not bonded or a current and accurate statement for the treasurer was not on file at the Office of the District of Columbia Auditor (\$6,248.84) *less* those disbursements previously recommended for deduction (\$4,833.71) because they were inadequately supported.

**ANC 4C's Officers Did Not Immediately Notify The ANC's Bank When One or More Authorized Check Signers Changed**

To protect ANC funds from unauthorized payments or theft by individuals no longer authorized to sign checks, the ANC Law requires that ANCs maintain current signature cards on file at their banks. D.C. Code, Section 1-309.13(f) states, in relevant part, that "...the depository in which the Commission maintains a checking account shall be immediately notified of any change in Commission officers."

Signature cards obtained directly from ANC 4C's bank indicated that the ANC had not updated signature cards since April 2001. By failing to update bank signature cards, ANC 4C failed to adequately safeguard the large amounts of cash in the ANC's checking and savings accounts. The former treasurer, chairperson, or secretary may have been able to improperly obtain funds or other information regarding the ANC's bank accounts without the knowledge of the Commission.

The Auditor also found that in fiscal years 2002 and 2003 ANC 4C completed and submitted bank signature cards and bank surveys to the Office of the Auditor that showed updated bank signatories. However, the bank did not have these signature cards on file. ANC 4C apparently submitted the updated information to the Office of the D.C. Auditor and did not file the updated signature cards with the bank. The ANC's current treasurer indicated that he attempted to update the signature cards in January 2003 but could not do so because the bank required the signatures of the retiring officers. Signature cards have a section for retiring officers to certify "the foregoing to be correct," however, a bank official informed the Auditor that the bank does not require signatures of retiring officers.

ANC 4C checks issued in fiscal years 2002 and 2003 showed that new officers of the Commission signed the checks. The checks were also paid by the bank even though the signatures on the checks did not match the signatures on the signature card on file with the bank. The amounts of the checks were all less than \$2,500, the threshold established by bank policy for a detailed review of signatures on checks.

**RECOMMENDATIONS:**

1. ANC 4C must immediately update bank signature cards when officers of the Commission change in order to safeguard funds in the ANC's accounts.
2. ANC 4C officers must update the ANC's current bank signature cards within 30 days of the date of this report and submit proof of this action to the Office of the D.C. Auditor.
3. ANC 4C must submit accurate bank surveys to the Office of the D.C. Auditor.

**CONCLUSION**

The Auditor's examination of ANC 4C's books and records revealed that ANC 4C did not substantially comply with the ANC Law, legal opinions issued by the Office of the Corporation Counsel, and Financial Management Guidelines issued by the Office of the District of Columbia Auditor. The Auditor's examination also revealed that internal controls were inadequate to ensure compliance with the ANC Law and guidelines, to produce reliable financial information, and safeguard the ANC's assets.

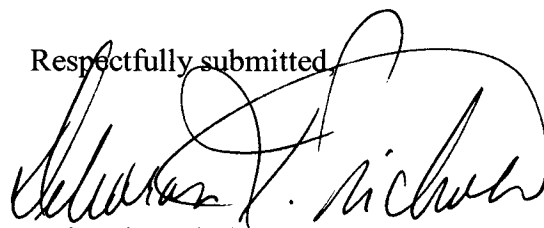
The Auditor found that quarterly financial reports submitted by ANC 4C were inaccurate and/or late. Quarterly financial reports also lacked the required supporting documentation, in violation of D.C. Code, Sections 1-309.13(j)(1) and 1-309.13(m). Further, ANC 4C could not provide supporting documentation for the audit that was also not provided with quarterly financial reports for disbursements totaling \$14,797.17. The inadequately documented disbursements included grants totaling \$11,992.46. Approximately \$8,930, or 60%, of the total inadequately documented expenditures were disbursed in fiscal year 2000.

Available receipts, invoices and other supporting documentation reviewed by the Auditor revealed duplicate payments and unallowable reimbursements to ANC 4C Commissioners, an improper \$400 grant to a public school for the purchase of parenting books, and disbursements that were not specifically authorized by the Commission as required by D.C. Code, Section 1-309.13(f). The Auditor found that, in violation of D.C. Code, Section 1-309.13(f), a \$925.56 check was issued with only the signature of the former treasurer for the purchase of 50 curb dog signs, and the expenditure was not specifically authorized by the Commission. Further, ANC 4C's treasurer and chairperson paid Miller Copying \$2,174.64 in fiscal years 2001 and 2002 for copies made by ANC 4C Commissioners, but did not present the invoices for approval by a majority of Commissioners at a public meeting. Minutes of Commission meetings indicated that ANC 4C Commissioners approved quarterly financial reports in which the disbursements were listed but did not question them. These findings indicated inadequate controls over disbursements.

The Auditor also found that ANC 4C failed to immediately update bank signature cards at its bank when officers of the Commission changed, as required by D.C. Code, Section 1-309.13(f). The ANC had not updated signature cards at its bank since April 2001. The ANC also did not fully comply with the bonding requirements of the ANC Law. In violation of D.C. Code, Section 1-309.13(c), ANC 4C expended a total of \$6,248.84 in fiscal years 2000 and 2002 when the treasurer and chairperson were not bonded or a current and accurate statement for the treasurer was not on file with the Office of the District of Columbia Auditor.

Pursuant to D.C. Code, Section 1-309.13(d)(3), ANC 4C must respond in writing to each of the violations detailed herein within 90 days of the date of this report. Failure to do so will result in the forfeiture of the ANC's next scheduled quarterly allotment(s) until a response is filed.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Deborah Nichols", written over the typed name.

Deborah Nichols

District of Columbia Auditor

# **APPENDIX**

**Appendix I**  
**Inadequately Supported ANC 4C Disbursements**

Check Number	Date	Payee	Amount	Purpose	Comments
1851	11/30/99	Bell Atlantic	277.23	Telephone	Missing invoice/bill. Reviewed unpaid invoices from prior periods.
1852	11/26/99	T. Jones	52.36	Reimbursement	No receipts
1856	11/26/99	Communication Press	119.00	Printing & Copying	No invoice
1857	11/26/99	Postmaster General	57.00	Fee for PO Box	No receipt. The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1858	12/14/99	V. Portis	40.00	Reimbursement	No receipts
1861	01/25/00	Communication Press	75.00	Printing & Copying	No invoice
1862	01/25/00	S. Fish	46.39	Reimbursement	No receipts
1863	03/14/00	Satchel Paige Little League	1,000.00	Grant (to cover administrative expenses)	The Auditor obtained a copy of the canceled check from ANC 4C's bank. ANC 4C's former treasurer provided the grant request.
1864	03/11/00	Bell Atlantic	212.25	Telephone	Missing invoice/bill. Reviewed unpaid invoices from prior periods. The Auditor obtained a copy of the canceled check from ANC 4C's bank.

1865	03/21/00	Miller Copying	247.00	Printing & Copying	The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1866	05/08/00	Bell Atlantic	140.19	Telephone	Missing invoice/bill. Reviewed unpaid invoices from prior periods. The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1867	05/09/00	M. McQuirter	32.66	Reimbursement	No receipts. The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1868	05/09/00	T. Jones	103.80	Reimbursement	No receipts. The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1869	05/09/00	A. Christophe	20.78	Reimbursement	No receipts. The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1871	05/09/00	ANC Security Fund	94.00	Security Fund	The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1872	05/09/00	A. Christophe	19.76	Reimbursement	No receipts. The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1873	05/09/00	T. Jones	18.84	Reimbursement	No receipts. The Auditor obtained a copy of the canceled check from ANC 4C's bank.

1874	06/13/00	16 <sup>th</sup> Street Neighborhood Association	400.00	Grant (for tools for park maintenance)	No grant request. The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1875	06/13/00	A. Signstore	300.00	Grant - paid directly to vendor (for t-shirts for a recreation center)	No invoice. The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1876	6/13/00	Miller Copying	965.96	Printing & Copying	The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1877	06/13/00	D.C. Redwings	1,000.00	Grant (to cover administrative expenses)	No grant request. The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1878	07/11/00	Postmaster General	57.00	Fee for PO Box	No receipt. The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1880	07/11/00	American Warmothers	1,000.00	Grant (for hats for Petworth American Warmothers)	No grant request or receipts from grant recipient. The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1881	07/11/00	Bell Atlantic	141.57	Telephone	Missing invoice/bill. Reviewed unpaid invoices from prior periods. The Auditor obtained a copy of the canceled check from ANC 4C's bank.

1882	07/25/00	Zion Hill Church	1,000.00	Grant	No grant request or receipts from grant recipient. The Auditor obtained a copy of the canceled check from ANC 4C's bank.
1884	09/01/00	Utrecht Art Supply	174.66	Grant - paid directly to vendor (inter-generational project)	No grant request or invoice
1885	09/01/00	Motophoto	56.55	Grant - paid directly to vendor (inter-generational project)	No grant request or invoice
1886	09/01/00	The Paper Store	71.75	Grant - paid directly to vendor (inter-generational project)	No grant request or invoice
1887	09/01/00	The Newsroom	56.25	Grant - paid directly to vendor (inter-generational project)	No grant request or invoice
1888	09/01/00	Johnson Sr. Home	150.00	Grant - paid directly to vendor (inter-generational project)	No grant request or invoice
1890	09/15/00	J&B Construction	1,000.00	Grant - paid directly to vendor	No grant request or invoice
1922	05/08/01	Y.O.U.R. Community Center	1,000.00	Grant (to install and network computers)	No receipts from grant recipient (provided grant application)
1924	06/12/01	16 <sup>th</sup> Street Neighborhood Association	83.56	Grant	No receipts from grant recipient (provided grant request and statement as to the use of funds)

1932	07/10/01	Zion Baptist Church	1,000.00	Grant (Summer Bible Day Camp)	No receipts from grant recipient (provided grant application)
1942	11/31/01	Carl's Hardware	52.00	Grant	No receipts from grant recipient (provided grant application)
1952	01/08/02	T. Jones	69.87	Reimbursement	No receipts
1954	3/12/02	Barnard Elementary School	316.97	Grant	No receipts from grant recipient (provided grant application)
1956	07/07/02	Girls and Boys Town of Washington, D.C.	400.00	Grant - paid directly to vendor	No grant application (provided invoice)
1960	07/22/02	Y.O.U.R. Community Center	1,000.00	Grant	No receipts from grant recipient (provided grant application)
1961	09/17/02	Mount Carmel Church	1,000.00	Grant	No receipts from grant recipient (provided grant application)
1962	09/07/02	G. Brown	14.05	Reimbursement	Total reimbursement = \$106.07. No receipts to support \$14.05 of the \$106.07
1972	03/11/03	U.N.T.S.	930.72	Grant	No receipts from grant recipient (provided grant application)
<b>Total</b>			<b>\$ 14,797.17</b>		