



OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR

THE PRESIDENTIAL BUILDING

415 12TH STREET, N.W., ROOM 210

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ANTHONY S. COOPER
DISTRICT OF COLUMBIA AUDITOR

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**Audit of ANC 6C Covering the Period
October 1, 1993 through December 31, 1996**

October 9, 1997

EXECUTIVE SUMMARY

PURPOSE

Pursuant to D.C. Code, Section 1-264(d), the Office of the District of Columbia Auditor conducted an audit of the financial activities of Advisory Neighborhood Commission (ANC) 6C.

The objective of this audit was to determine if ANC 6C's financial accounts and operations were in compliance with ANC laws, guidelines of the Office of the District of Columbia Auditor, and Corporation Counsel opinions.

CONCLUSION

The financial accounts and operations of ANC 6C were not in compliance with ANC laws, guidelines issued by the Office of the District of Columbia Auditor and Corporation Counsel opinions. Undocumented and unauthorized checks were issued to the chairperson and the treasurer. The trust in good government by the citizens of ANC 6C may have been irreparably harmed by the actions of these officers. This matter will be referred to appropriate investigative bodies for further review.

Additionally, the Commission did not implement all of the recommendations made in the audit report issued by the Office of the District of Columbia Auditor for the period October 1, 1989 through September 30, 1993.

ANC 6C must improve the monitoring of its financial activities, its record keeping and the documentation of its disbursements and other financial activities.

MAJOR FINDINGS

1. Undocumented and Unauthorized Disbursements Were Made to ANC 6C Chairperson
2. Undocumented and Unauthorized Disbursements Were Made to ANC 6C Treasurer
3. Payments to Office Worker Were Not Supported by Documentation
 - a. Commission did not prepare form 1099 for purchases of service payments.
 - b. Commission did not prepare W-2 form for its employee.
 - c. Position Description was not maintained for its employee.
 - d. Contract was not maintained for office worker, paid as contractor.
4. ANC 6C Has Not Submitted Quarterly Reports to the Office of the D. C. Auditor since the Submission of the Quarterly Financial Report for the Quarter Ending September 30, 1994
5. Commission Made Disbursements Although Treasurer Was Not Bonded

6. Supporting Documentation for Disbursements Was Not Adequately Maintained
7. Minutes of ANC Meetings Were Not Maintained in the Files of the ANC
8. Disbursements for Insurance Were Improper
9. Petty Cash Disbursements Were Not Documented
10. Financial Guidelines and Procedures of the Office of the District of Columbia Auditor Were Not Followed
 - a. Bank reconciliations were not properly maintained.
 - b. Commission checkbook was not adequately maintained.

RECOMMENDATIONS

1. The Commission must take action to retrieve funds that were improperly disbursed from its account.
2. The Council of the District of Columbia, in cooperation with the Office of the Corporation Counsel, should consider legislation that would freeze an ANC's account and not allow the Commission to expend existing funds when the Commission has not submitted quarterly reports to this office.
3. ANC 6C must submit quarterly reports to this office as required by ANC law.
4. ANC 6C should ensure that its workers are properly classified as salaried employees or as contractors. A contract should be prepared for each contractor. Appropriate taxes should be withheld and submitted to the appropriate agencies for all salaried employees.
5. ANC 6C must specifically approve all personal service disbursements in excess of \$50 at a public meeting of the Commission. The approval must be recorded in the minutes of the Commission meeting.
6. The treasurer of ANC 6C must be bonded before additional checks are written from its checking account.
7. ANC 6C must maintain no more one checking or negotiable order of withdrawal account.
8. ANC 6C must begin immediately to ensure that disbursements from its account are adequately documented. This documentation must be maintained in the office files of the Commission. These files must be readily available for review by the Auditor.

9. Bank statements and canceled checks must be properly maintained in the files of the Commission.
10. ANC 6C must maintain minutes of all ANC meetings. These minutes should reflect the decisions of the Commission
11. Until such time as ANCs are given express statutory authority to purchase insurance, ANC 6C must not use appropriated funds for the purchase of property insurance for the Commission.
12. ANC 6C must reconcile its bank account on a monthly basis. This reconciliation must be reviewed by the Chairperson and Treasurer and initialed to indicate that a review was made.
13. ANC 6C must maintain a "running" checkbook balance in its checkbook in order to ensure that a sufficient cash balance is available before funds are disbursed.
14. ANC 6C must maintain supporting documentation for all petty cash expenditures. A petty cash journal must also be maintained.
15. ANC 6C must adhere to the guidelines issued by this office for the operation of an ANC Petty Cash Fund.



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ANTHONY S. COOPER
DISTRICT OF COLUMBIA AUDITOR

Mr. Earnest Darling
Chairperson, ANC 6C
1828 18th Street, S.E.
Washington, D.C. 20020

Dear Mr. Darling:

Pursuant to D.C. Code, Section 1-264(d), the Office of the District of Columbia Auditor conducted an audit of the financial activities of Advisory Neighborhood Commission (ANC) 6C.

The objective of this audit was to determine if ANC 6C's financial accounts and operations were in compliance with ANC laws, guidelines of the Office of the District of Columbia Auditor, and Corporation Counsel opinions.

This audit covered the period October 1, 1993 through December 31, 1996. The Auditor reviewed available documentation that supported ANC 6C's financial activities during the period of this audit. We confirmed payments made to ANC 6C's account at Aetna Insurance Company and Bell Atlantic Telephone Company. We also interviewed ANC 6C's then chairperson and treasurer.

The Auditor also reviewed the implementation of recommendations made by this office in a previous ANC 6C audit report dated September 30, 1994, covering the period October 1, 1989 through September 30, 1993. Those recommendations are included in the appropriate sections of this report as "Previous Recommendations" along with the status of ANC 6C's implementation of these recommendations.

FINDINGS

UNDOCUMENTED AND UNAUTHORIZED DISBURSEMENTS MADE TO ANC 6C CHAIRPERSON AND TREASURER

Undocumented and Unauthorized Disbursements Made to Treasurer

The Auditor found four undocumented and unauthorized checks payable to D.C. Williamson, treasurer of ANC 6C. These four checks totaling \$2,400 were signed only by Mr. Williamson. The checks were disbursed in violation of D.C. Code, Section 1-264(f), which in relevant part states:

" . . . Any expenditure made by check shall be signed by at least two officers of the Commission."

Table I below provides a list of the checks payable to and signed by Mr. Williamson.

**TABLE I
UNDOCUMENTED AND UNAUTHORIZED CHECKS
PAYABLE TO ANC 6C TREASURER**

<u>Check Number</u>	<u>Date</u>	<u>Payee</u>	<u>Amount</u>
3121	Nov. 18, 1996	D. C. Williamson	\$500.00 ¹
3123	Nov. 22, 1996	D. C. Williamson	700.00
3124	Dec. 5, 1996	D.C. Williamson	700.00
3125 ²	Nov. 18, 1996	D.C. Williamson	500.00
	Total		\$2,400.00

Source: D.C. Auditor and bank records of ANC 6C

The ANC 6C files did not contain any invoices, receipts, or other supporting documentation and Mr. Williamson did not provide adequate documentation, to justify these payments to himself. During the course of this audit, the audit team discussed these disbursements with Mr. Williamson. At that time, Mr. Williamson produced two handwritten documents (the Auditor notes that these documents were not in the files of the Commission during the audit team's review). In these documents, Mr. Williamson stated that for the two week period October 28, 1996 through November 8, 1996, he had performed the duties of office administrator. He indicated that his billing time was 20 hours each week and his total compensation for both weeks was \$700. However, Mr. Williamson did not identify or provide any details regarding the services he performed for the Commission. Further, there were no minutes or other documentation to show that the Commission authorized any of these disbursements. Mr. Williamson was the treasurer of ANC 6C when the checks were written and he was not entitled to receive any compensation for services he performed in his capacity as treasurer. Mr. Williamson did not provide any documentation for the remaining checks totaling \$1,700.

The payments to Mr. Williamson violated D.C. Code, Section 1-264(f) which in relevant part states:

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

¹A stop payment was issued on this check. Therefore it appears that this amount was not disbursed from ANC 6C's account.

²Check appears to have been written out of sequence

According to Mr. Williamson, he disbursed checks to himself for services performed on behalf of the Commission for which he felt he should be compensated. These services were unspecified and inadequately documented. Further, without proper documentation and authorization from the Commission, Mr. Williamson violated ANC law in disbursing these checks to himself.

A stop payment for check number 3121 in the amount of \$500 was issued and this amount was credited back to the account of ANC 6C by the bank. Therefore, it appears that \$1,900 of ANC funds were actually received by ANC 6C treasurer, D. C. Williamson. The bank could not determine who placed the stop payment on the \$500 check.

This matter will be referred to appropriate investigative authorities for further review.

Undocumented and Unauthorized Disbursements Made to the ANC Chairperson

Two undocumented and unauthorized checks totaling \$1,339.07 were disbursed to Oliver Johnson, Chairperson of ANC 6C. Check number 3110, for \$359.00 contained two signatures. One signature on the check was that of Mr. Johnson, however, the other signature was illegible. Check number 3113 in the amount of \$980.07 was signed by Oliver Johnson and Linda Hunter, then vice-chairman of the Commission. Both checks were endorsed by Oliver Johnson. Table II below shows the checks payable to Mr. Johnson.

**TABLE II
UNDOCUMENTED AND UNAUTHORIZED CHECKS
PAYABLE TO ANC 6C CHAIRPERSON**

<u>Check Number</u>	<u>Date</u>	<u>Payee</u>	<u>Amount</u>
3110	July 16, 1996	Oliver Johnson	\$ 359.00
3113	August 5, 1996	Oliver Johnson	980.07
Total			\$1339.07

Source: Office of the D. C. Auditor and ANC 6C financial records

Mr. Johnson did not provide receipts, bills, invoices or other supporting documentation and the Auditor could not find any documentation in the files of the ANC to support or justify either of these checks. Further, we did not find minutes of Commission meetings in which a majority of Commissioners approved and authorized these disbursements to Mr. Johnson.

The checks to Mr. Johnson violated D.C. Code, Section 1-264(f) which states in relevant part:

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

According to the explanation written on the checkbook stub, check number 3110, in the amount of \$359 was purportedly a reimbursement for an insurance payment Mr. Johnson made to Aetna insurance company. However, the Auditor found no documentation that Mr. Johnson made a payment to Aetna on ANC 6C's account. Additionally, a representative of Aetna indicated that there was no record of this payment. The insurance company nor the insurance agent had a record of any payment for \$359 - the amount for which Mr. Johnson was reimbursed. Payments recorded by the insurance company were written directly from ANC 6C's checking account. The Auditor obtained a listing of all insurance payments made to Aetna, during our audit period, for ANC 6C's account. We noted that these payments were all recorded in the Commission's checkbook and were made from ANC 6C's checking account. Aetna's records did not show any other payments for ANC 6C. Therefore, there should have been no need to reimburse Mr. Johnson for any insurance payments.

Check number 3113, for \$980.07, was signed by Mr. Johnson and was recorded in the checkbook as a reimbursement for payment of the telephone bill. However, the Auditor found no documentation that Mr. Johnson made a payment to Bell Atlantic telephone company on ANC 6C's account. There were no bills, invoices or documentation in ANC 6C's files and Mr. Johnson did not provide any documentation to support this disbursement. Additionally, a representative of Bell Atlantic Telephone Company indicated that there was no record of a payment for this amount. The Auditor obtained a listing of all payments made to Bell Atlantic telephone company during the audit period, for ANC 6C's account. Payments recorded by the telephone company were all written directly from ANC 6C's checking account. Bell Atlantic's records did not show any other payments for ANC 6C.

The Auditor notes that in the September 30, 1994 report issued by this office, a "questionable disbursement" of \$500 was made to Commissioner Oliver Johnson. The disbursement in the amount of \$500 was not documented and did not have two signatures on the check. In that report, the Auditor recommended that ANC 6C adhere to D.C. Code, Section 1-264(f), concerning the requirement for underlying documentation to support disbursements. We found that, in the instances noted in this report, ANC 6C did not adhere to the recommendation.

This matter will be referred to appropriate investigative bodies for further review.

RECOMMENDATION

The Commission must take action to retrieve funds that were improperly disbursed from its account.

ANC 6C HAS NOT SUBMITTED QUARTERLY REPORTS TO THE OFFICE OF THE D. C. AUDITOR SINCE THE SUBMISSION OF THE QUARTERLY FINANCIAL REPORT FOR THE QUARTER ENDING SEPTEMBER 30, 1994

ANC 6C has not submitted quarterly financial reports to the Office of the District of Columbia Auditor since the submission of the quarterly financial report for the quarter ending

September 30, 1994. The failure to submit quarterly financial reports violated District of Columbia Code, Section, 1-264(j) which states in relevant part the following:

"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 30 days of the end of the quarter"

The Commission has not submitted any reports, therefore, the Office of the District of Columbia Auditor has not approved any quarterly allotments for ANC 6C. The Auditor's actions are in compliance with D.C. Code, Section 1-264(j), which states in relevant part:

". . . No quarterly allotment shall be forwarded to a Commission until the report of financial activity for the quarter preceding the immediate previous quarter is submitted to and reviewed by the Auditor"

Although ANC 6C did not submit quarterly reports, and no allotments were approved for it by the Auditor, ANC 6C has disbursed over \$21,000 from funds it already had in its bank account. Due to the ANC 6C's failure to submit quarterly financial reports to this office, the Auditor could not review the disbursements and other financial activities occurring after September 30, 1994 to determine if these activities were properly approved and adhered to ANC laws and regulations. The Auditor notes that the unauthorized and undocumented disbursements (as discussed earlier in this report) made to the chairperson and the treasurer of ANC 6C were all made during the period when the ANC had failed to submit quarterly financial reports.

RECOMMENDATIONS

1. The Council of the District of Columbia, in cooperation with the Office of the Corporation Counsel, should consider legislation that would freeze an ANC's account and not allow the Commission to expend existing funds when the Commission has not submitted quarterly reports to this office.
2. ANC 6C must submit quarterly reports to this office as required by ANC law.

PAYMENTS TO OFFICE WORKER NOT SUPPORTED BY DOCUMENTATION

Previous Recommendation

ANC 6C should determine whether its office manager should be more appropriately classified as an employee of the commission rather than an independent contractor. This determination should be consistent with the opinion of the Corporation Counsel

Condition at time of audit:

During the period of this audit, ANC 6C disbursed approximately \$25,000 to its office worker without adequate documentation such as time sheets, payroll registers or contracts.

For the first three quarters of FY 1994, (October 1, 1993 through June 30, 1994), ANC 6C reported payments disbursed to its office worker as salaries and wages, on the quarterly financial report submitted to the Office of the D. C. Auditor. During this period, ANC 6C disbursed approximately \$15,000 to the office worker without any documentation in its files that the employee actually worked for the Commission. The files of the ANC did not contain a payroll register, time sheets or other documentation regarding the number of hours worked by the employee. Further, the files of the Commission did not contain minutes of the Commission's approval to hire the employee and the amount of compensation to be paid. This violated D.C. Code, Section 1-264(g) which states in relevant part:

"Disbursements of Commission funds exceeding \$50 for personal service expenditures shall be specifically approved by the Commission at a public meeting prior to the disbursement. The approval shall be recorded in the minutes of the Commission meeting. Any personal services payment shall name the person who is to receive the payments, the rate of compensation, and the maximum hours of service, if less than full-time compensation . . ."

Canceled checks and other financial records did not show that appropriate payroll taxes, such as federal and state income taxes and social security taxes were withheld, from the employee's salary and submitted to the appropriate federal and District agencies.

The Commission also did not maintain in its files a position description for its employee. This violated D.C. Code, Section 1-264(o) which states in relevant part:

". . . A Commission shall establish position descriptions for employees that shall, at a minimum, broadly identify the qualifications and duties of the employees . . ."

For the fourth quarter of FY 1994, ANC 6C reported payments to its office worker as "purchase of service" on the quarterly financial report submitted to the Office of the District of Columbia Auditor. During this quarter, payments to the office worker totaled \$5,200. The files of ANC 6C did not contain a contract for the office worker. Additionally, there was no documentation of Commission approval for the contract payments. Further, the office worker was paid on a weekly basis. The regularity of the payments suggested that the employee was a salaried employee and not an independent contractor. The Officer of the District of Columbia Auditor has cautioned ANCs to carefully evaluate the status of its workers. This advice has been provided through training sessions, correspondence, and individual discussions with ANC officers.

ANC 6C has not submitted any quarterly financial reports to the office of the D. C. Auditor since the fourth quarter of FY 1994. However, an examination of the canceled checks disbursed

since the fourth quarter of FY 1994 revealed that ANC 6C continued payments to the office worker through January 1995. Payments for office services made after the submission of the fourth quarter FY 1994 quarterly financial report totaled \$5,200. We were unable to determine how the office worker was classified during this period - as an employee or as a contractor. However, ANC 6C's records and canceled checks did not indicate that taxes were withheld from the employee and submitted to the appropriate agencies. The files of the ANC also did not contain a contract for the office worker.

Further the files of the Commission did not contain any documentation that the Commission submitted a form 1099 as required for a contractor or form W-2 as required for a salaried worker.

This matter will be referred to appropriate federal and District tax authorities for further review.

RECOMMENDATIONS

1. ANC 6C should ensure that its workers are properly classified as salaried employees or as contractors. A contract should be prepared for each contractor. Appropriate taxes should be withheld and submitted to the appropriate agencies for all salaried employees.
2. ANC 6C must specifically approve all personal service disbursements in excess of \$50 at a public meeting of the Commission. The approval must be recorded in the minutes of the Commission meeting.

COMMISSION MADE DISBURSEMENTS ALTHOUGH TREASURER WAS NOT BONDED

During calendar year 1996, checks were disbursed from ANC 6C's checking account although the Commission did not have a bonded treasurer. The treasurer had not been bonded since calendar year 1995. Disbursing ANC funds without a properly bonded treasurer violated D.C. Law 1-264(c) which states in relevant part:

". . . The treasurer shall file with the District of Columbia Auditor and maintain in force during the treasurer's occupancy of the office 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 established by subsection 1-264.1 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 District of Columbia Auditor."

The audit team found that, during 1996, checks were signed by the treasurer, chairperson and the vice-chairperson.

RECOMMENDATION:

The treasurer of ANC 6C must be bonded before additional checks are written from its checking account.

FOR SIX MONTHS ANC 6C MAINTAINED TWO CHECKING ACCOUNTS

From May 1996 to October 1996, ANC 6C maintained two checking accounts. The Commission's original checking account was maintained at The National Capital Bank. In May 1996, a second checking account was opened at NationsBank with a \$2,000 deposit written from the Commission's checking account at The National Capital Bank. The Commission did not close the account at The National Capital Bank which resulted in the Commission having two checking accounts. This violated District of Columbia Code, Section 1-164(b) which states in relevant part the following:

"... Each Commission shall establish no more than 1 checking or negotiable order of withdrawal account. . . ."

The Commission's office files did not contain signature cards for the second checking account and the audit team was not able to determine who the signers on the account were. On November 1, 1997, the account at NationsBank was closed and the account balance of \$1,995 was deposited into the Commission's checking account at The National Capital Bank. The audit team was unable to determine if any deposits to or withdrawals were made from the NationsBank account during the six month period.

RECOMMENDATION

ANC 6C must maintain no more one checking or negotiable order of withdrawal account.

**SUPPORTING DOCUMENTATION FOR DISBURSEMENTS
WAS NOT ADEQUATELY MAINTAINED**

Previous Recommendation:

Maintain all receipts, invoices, vouchers and other relevant documentation to justify and support ANC disbursements.

Condition at Time of Audit:

Receipts, invoices, vouchers and other documentation to support disbursements made during the audit period were not adequately maintained in the Commission's files. The Auditor could not find supporting documentation for a majority of the disbursements made during the audit period.

Bank statements and canceled checks were not maintained for each disbursement made during the audit period. Of the 138 checks disbursed during the period of this audit, approximately

thirty-four canceled checks, or 25 percent of all checks disbursed, were missing from the files of the Commission. Bank statements representing thirteen months were also missing from the files of the Commission.

RECOMMENDATIONS

1. ANC 6C must begin immediately to ensure that disbursements from its account are adequately documented. This documentation must be maintained in the office files of the Commission. These files must be readily available for review by the Auditor.
2. Bank statements and canceled checks must be properly maintained in the files of the Commission.

MINUTES OF ANC MEETINGS WERE NOT MAINTAINED IN THE FILES OF THE ANC

Previous Recommendation

Maintain a permanent public record in the form of minutes of all public meetings of the ANC. Minutes provide an important official account of ANC activities and are used to verify official ANC Actions. Failure to maintain written minutes may result in a recommendation from the Auditor that future allotments be reduced by the amount of disbursements for which approval is not supported by the minutes of the Commission.

Condition at time of audit:

We did not find minutes of ANC meetings. Although the quarterly reports submitted to this office indicated that the Commission made disbursements, we did not find minutes to document the approval of these disbursements by the Commission at a public meeting.

RECOMMENDATION

ANC 6C must maintain minutes of all ANC meetings. These minutes should reflect the decisions of the Commission.

DISBURSEMENTS FOR INSURANCE WERE IMPROPER

Disbursements totaling \$1,312.65 were made to Aetna Insurance Company and an additional \$456 was made to its insurance agent (CIMA) for insurance coverage. According to a copy of a September 1995 billing invoice from Aetna this insurance was for property-liability and small computer insurance.

The purchase of insurance by ANC 6C to insure office equipment violated a March 8, 1994, opinion issued by the Corporation Counsel. The Corporation Counsel stated that:

"Generally speaking, the self-insurance rule is applicable to government personal property purchased with public funds expended pursuant to appropriations acts of Congress. The quarterly allocations that the District government makes to ANCs are funds authorized to be spent by Congressional appropriations acts. Therefore, office equipment purchased by an ANC with funds from its quarterly allocations is government property for purposes of the self-insurance rule."

"The self-insurance rule may be stated as follows:

... [T]he government is essentially a self-insurer in certain important areas, primarily loss or damage to government property and the liability of government employees insofar as the government is legally responsible or would ultimately bear the loss. ... In the absence of express statutory authority to the contrary, appropriated funds are not available for the purchase of insurance to cover loss [of] or damage to government property or the liability of government employees."

Principles of Federal Appropriations Law, Chapter 4, subsection 10a, p. 4-144 (2nd ed. 1991).

"There is no express statutory provision authorizing ANCs to purchase personal property insurance. Therefore [an ANC] may not use its quarterly allocations of public funds to purchase property insurance covering its office equipment."

The then-Chairperson of ANC 6C stated that the Commission purchased insurance because of the requirement in the Commission's lease with its landlord. However, the Commission must adhere to the law. This requirement by the landlord does not give ANC 6C authority to violate the law regarding the purchase of insurance.

RECOMMENDATION

Until such time as ANCs are given express statutory authority to purchase insurance, ANC 6C must not use appropriated funds for the purchase of property insurance for the Commission.

FINANCIAL GUIDELINES AND PROCEDURES OF THE OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR WERE NOT FOLLOWED

Properly reviewed bank reconciliations for ANC 6C's checking account were not in the files of the Commission. ANC financial guidelines and procedures issued by the Office of the D. C. Auditor 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 Commission also did not maintain a running checkbook balance that would have enabled the Commission to verify the balance as recorded in its checkbook.

RECOMMENDATIONS

1. ANC 6C must reconcile its bank account on a monthly basis. This reconciliation must be reviewed by the Chairperson and Treasurer and initialed to indicate that a review was made.
2. ANC 6C must maintain a "running" checkbook balance in its checkbook in order to ensure that a sufficient cash balance is available before funds are disbursed.

PETTY CASH DISBURSEMENTS WERE NOT DOCUMENTED

Previous Recommendation:

The Auditor made ten recommendations regarding petty cash disbursements. These recommendations included a requirement that ANC 6C maintain all supporting documentation including receipts and a petty cash journal to justify ANC petty cash disbursements.

Condition at time of audit:

ANC 6C did not maintain receipts and invoices for petty cash disbursements. Additionally, a petty cash journal was not available to support petty cash disbursements. This violated D.C. Code, Section 1-264(h) which states in relevant part:

" . . . A record of disbursements from the petty cash fund shall be kept by the treasurer in a manner consistent with other accounts of the Commission."

RECOMMENDATIONS

1. ANC 6C must maintain supporting documentation for all petty cash expenditures. A petty cash journal must also be maintained.
2. ANC 6C must adhere to the guidelines issued by this office for the operation of an ANC Petty Cash Fund.

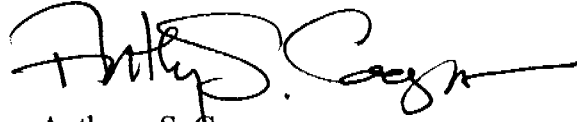
CONCLUSION

The financial accounts and operations of ANC 6C were not in compliance with ANC laws, guidelines issued by the Office of the District of Columbia Auditor and Corporation Counsel opinions. Undocumented and unauthorized checks were issued to the chairperson and the treasurer. The trust in good government by the citizens of ANC 6C may have been irreparably harmed by the actions of these officers. This matter will be referred to appropriate investigative bodies for further review.

Additionally, the Commission did not implement all of the recommendations made in the audit report issued by the Office of the District of Columbia Auditor for the period October 1, 1989 through September 30, 1993.

ANC 6C must improve the monitoring of its financial activities, its record keeping and the documentation of its disbursements and other financial activities.

Respectfully,

A handwritten signature in black ink, appearing to read "Anthony S. Cooper", with a long horizontal flourish extending to the right.

Anthony S. Cooper
District of Columbia Auditor