



OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR

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024:05:LB:KM:gk

**Audit of Advisory Neighborhood Commission 3F
for Fiscal Years 2003 Through 2005
as of March 31, 2005**

September 30, 2005



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Commissioner Karen Perry
Chairperson
Advisory Neighborhood Commission 3F
3003 Van Ness Street, NW, #W-118
Washington, D.C. 20008

Letter Report: Audit of Advisory Neighborhood Commission 3F
for Fiscal Years 2003 Through 2005, as of March 31, 2005

Dear Commissioner Perry:

Pursuant to Section 16 (d) of the Advisory Neighborhood Commissions Act of 1975, as amended (collectively "ANC Act"),¹ the District of Columbia Auditor (Auditor) conducted an audit of the financial accounts and operations of Advisory Neighborhood Commission 3F (ANC or Commission).

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of the audit were to determine whether:

1. ANC 3F's disbursements complied with the ANC Act, ANC Financial Management Guidelines issued by the Office of the District of Columbia Auditor,² and legal opinions issued by the Office of the Attorney General ("OAG"), formerly the Office of the Corporation Counsel; and

¹ See the Advisory Neighborhood Commissions Act of 1975 (effective October 10, 1975, D.C. Law 1-21), as amended, by the Comprehensive Advisory Neighborhood Commissions Reform Act of 2000, effective June 27, 2000, D.C. Law 13-135., D.C. Code § 1-309.13 (d) (2004 Supp).

² Office of the District of Columbia Auditor, "Advisory Neighborhood Commission Financial Management Guidelines" ("ANC Financial Management Guidelines"), February 2003.

2. internal controls were adequate to produce reliable financial information and ensure that the ANC's assets were properly safeguarded.

The audit covered the period October 1, 2002 through March 31, 2005. In conducting the audit, the Auditor reviewed all available canceled checks, bank statements, bank signature cards, quarterly financial reports, meeting minutes, receipts and invoices, and other relevant documents.

STATEMENT OF ANC 3F's CHECKING, SAVINGS, AND PETTY CASH ACCOUNT BALANCES, AS OF MARCH 31, 2005

Table I presents ANC 3F's checking, savings, and petty cash account balances as of March 31, 2005.

Table I
ANC 3F's Checking, Savings, and Petty Cash Account Balances
As of March 31, 2005

Petty Cash Account	\$ 92.61
Checking Account	20,991.78
Savings Account	<u>50,512.10</u>
Actual Cash Balance	\$ 71,596.49

Source: ANC 3F's quarterly report and bank statements as of March 31, 2005.

SUMMARY OF ANC 3F'S DISBURSEMENTS DURING FISCAL YEARS 2003 THROUGH 2005, AS OF MARCH 31, 2005

During the audit period, ANC 3F disbursed a total of \$13,223.43. Table II summarizes, by category, ANC 3F disbursements made during the audit period, including bank service charges.

**Table II
Summary of ANC 3F's Disbursements
Fiscal Years 2003 Through 2005,
as of March 31, 2005**

Disbursement Category	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005 as of March 31, 2005	Grand Total
Bank Service Charges	72.00	0.00	0.00	72.00
Local Transportation	30.00	0.00	0.00	30.00
Office Equipment - Purchase	502.54	0.00	1,116.43	1,618.97
Office Rent	206.14	120.00	60.00	386.14
Office Supplies & Expenses	518.53	59.91	170.63	749.07
Petty Cash Reimbursement	321.04	339.27	97.39	757.70
Postage and Delivery	0.00	137.33	0.00	137.33
Post Office Box Rental	663.50	300.00	0.00	963.50
Printing & Duplicating	115.31	36.81	0.00	152.12
Purchase of Service	2,000.00	0.00	3,000.00	5,000.00
Telephone Service	415.77	418.48	293.26	1,127.51
Other	792.65	956.00	480.44	2,229.09
Total Disbursements	\$ 5,637.48	\$ 2,367.80	\$ 5,218.15	\$ 13,223.43

Source: ANC 3F's quarterly financial reports, check book, canceled checks, and bank statements.

FINDINGS

ANC 3F SUBSTANTIALLY COMPLIED WITH D.C. CODE SECTION 1-309.13 (j)(1) BY MAINTAINING DOCUMENTATION TO SUPPORT ALL DISBURSEMENTS

Section 1-309.13 (j) (1) of the D.C. Code states, in relevant part, that:

Each quarterly [financial] report must 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, and the minutes of all meetings indicating the Commission's approval of disbursements reported in the quarterly report.

The Auditor's examination of relevant documentation indicated that ANC 3F officers established an exemplary record-keeping system to ensure that appropriate financial documentation was obtained and maintained in the ANC's files. Overall, the Auditor found that ANC 3F maintained sufficient documentation to support \$13,223.43, or 100%, of ANC funds disbursed during the audit period.

ANC 3F'S MINUTES DOCUMENTED THE APPROVAL OF EXPENDITURES BY A MAJORITY OF ANC 3F COMMISSIONERS

D.C. Code Section 1-309.13 (f) states, in relevant part, that: "No expenditure of any amount shall be made without the specific authorization of the Commission."

During the audit period, the minutes of ANC 3F's public meetings consistently indicated the Commissioners' specific authorization of all expenditures made by the ANC's Chairperson and Treasurer.

ANC 3F COMPLIED WITH QUARTERLY REPORT FILING DEADLINES UNDER THE ANC ACT

D.C. Code Section 1-309.13 (j) (1) states, in relevant part, that:

The treasurer of a Commission shall prepare a quarterly financial report on a form provided by the Auditor. The financial report shall be presented to the Commission for its consideration at a Commission meeting within 45 days after the end of the quarter. A copy of the approved financial report, signed by the Chairperson, the secretary, and the treasurer, shall be filed, along with a record of the vote adopting the report, with the Auditor within 15 days of approval.

During the audit period, ANC 3F filed nine of the 10 quarterly reports due early or on the due date. Therefore, ANC 3F substantially complied with D.C. Code Section 1-309.13 (j)(1).

ANC 3F HELD THE REQUIRED NUMBER OF PUBLIC MEETINGS DURING THE AUDIT PERIOD

D.C. Code, Section 1-309.11 (b) (1) states, in relevant part, that: “Each Commission shall meet in public session at regular intervals at least 9 times per year. . . .” The Auditor’s review of ANC 3F’s quarterly financial reports and other relevant documentation revealed that ANC 3F held a total of 33 public meetings during the 30-month audit period. Therefore, ANC 3F complied fully with the public meeting requirement under D.C. Code, Section 1-309.11(b)(1).

ANC 3F MAINTAINED MINUTES FOR ALL 33 PUBLIC MEETINGS HELD DURING THE AUDIT PERIOD

A review of ANC 3F’s minutes indicated that the Commission took official action only at public meetings where a quorum was present and recorded the votes on all expenditures and reimbursements brought before the Commission for approval. The minutes documented the presentation and approval of expenditures, grant requests, Treasurer’s reports, and quarterly financial reports. ANC 3F maintained minutes for all 33 public meetings held during the audit period.

ANC 3F ESTABLISHED ANNUAL FISCAL YEAR SPENDING PLAN BUDGETS DURING THE AUDIT PERIOD

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

Each Commission shall develop an annual fiscal year spending plan budget for the upcoming fiscal year within 60 days of notification of the amount of the Commission's annual allotment. 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.

A review of ANC 3F's documents and minutes revealed that annual fiscal year spending plan budgets were developed, presented and properly adopted by a majority of Commissioners at public meetings during the audit period as required by the ANC Act.

INTERNAL CONTROLS WERE ADEQUATE TO PRODUCE RELIABLE FINANCIAL INFORMATION AND ENSURE THAT ASSETS WERE PROPERLY SAFEGUARDED

ANC 3F's internal controls were found to be adequate as evidenced by, but not limited to, the following:

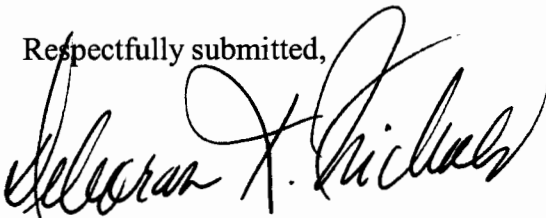
- ▶ Spending plan budgets were presented and properly adopted by a majority of Commissioners at public meetings;
- ▶ All expenditures were first approved by a majority of Commissioners in a public meeting and recorded in the minutes;
- ▶ All disbursements were supported by adequate documentation;
- ▶ Bank account reconciliations were regularly performed;
- ▶ The phrase "District of Columbia Government" was included in the Commission's account name and on the face of its checks; and
- ▶ ANC 3F participated in the ANC Security Fund.

CONCLUSION

As a result of the examination of ANC 3F's books and records, the Auditor found that ANC 3F substantially complied with relevant provisions of the Advisory Neighborhood Commissions Act of 1975, as amended, Financial Management Guidelines issued by the Office of the District of Columbia Auditor, and legal opinions issued by the Office of the Attorney General.

During fiscal years 2003, 2004, and 2005, through March 31, 2005, ANC 3F maintained adequate documentation to justify and support all expenditures. Of the 10 quarterly financial reports due to the Auditor's Office during the audit period, 9 were filed early. ANC 3F complied fully with the public meeting requirement of the ANC Act and meeting minutes were maintained in the ANC's files. Also, the Auditor found that ANC 3F prepared annual fiscal year spending plan budgets during the audit period.

Overall, the Auditor found that ANC 3F maintained a well-organized record keeping system and adequate internal controls were in place to produce reliable financial information and substantially ensured that the ANC's assets were properly safeguarded.

Respectfully submitted,

Deborah K. Nichols
District of Columbia Auditor