

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



May 9, 2001

The Honorable Anthony A. Williams
Mayor of the District of Columbia
441 Fourth Street, N.W., Suite 1100S
Washington, D.C. 20001

The Honorable Linda W. Cropp, Chairman
Council of the District of Columbia
441 Fourth Street, N.W., Suite 704
Washington, D.C. 20001

The Honorable Alice M. Rivlin, Chairman
D.C. Financial Responsibility and
Management Assistance Authority
441 Fourth Street, N.W., Suite 570N
Washington, D.C. 20001

Dear Mayor Williams, Chairman Cropp, and Dr. Rivlin:

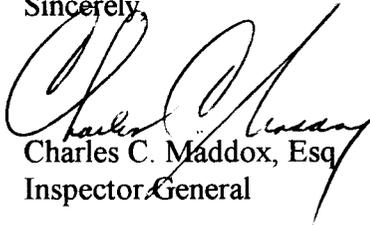
In connection with the audit of the University of the District of Columbia (UDC) for the period ending September 30, 2000, the auditing firm, KPMG, LLP, submitted the enclosed Management Letter. The Management Letter details the conditions that UDC officials should improve in order to enhance UDC's financial management infrastructure.

The Management Letter indicates that UDC: (1) lacked a comprehensive management plan for its accounting and finance departments; (2) did not properly monitor and manage cash and investments; (3) did not effectively monitor and record loans; (4) needs to correct operational deficiencies which exist in the Cashier's Office; (5) did not properly monitor receivables; (6) needs to establish an internal audit function; (7) did not properly account for restricted grant funds; (8) was deficient in properly disclosing litigation matters; (9) did not make improvements in information technology deficiencies previously identified; (10) did not properly maintain fixed assets records; (11) needs to consolidate operations such as the maintenance of information and records, the collection of tuition, the registration of students, etc; (12) has inconsistent operating and reporting cycles; (13) did not have adequate record management and maintenance policies and procedures; (14) did not submit budget reports to the District's Office of the Chief Financial Officer; (15) did not properly code and classify expenditures in the financial reporting system; (16) needs to improve its tracking and monitoring of appropriated expenditures to avoid over expending of the appropriated budget; and (17) needs to increase fundraising efforts.

The Management Letter also indicates that UDC failed to correct a number of deficiencies identified in the Fiscal Year 1999 Management Letter. As previously disclosed to you in a letter dated April 19, 2001, the Office of the Inspector General (OIG) has taken, or is taking several steps to help ensure that District agencies comply with recommendations made by the OIG, as well as federal government auditors and private-sector auditors. We will continue to monitor closely developments regarding UDC's financial management structure, as prior years experience has demonstrated that failure to correct major deficiencies can delay timely completion of the CAFR.

If you have any questions or need additional information, please contact me, or have a member of your staff contact William J. DiVello, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,



Charles C. Maddox, Esq.
Inspector General

Enclosure

CM/mg

cc: See Distribution List

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