

THE CITY OF
PORTLAND



OREGON

BUREAU OF
FINANCIAL AFFAIRS

K M HAMMON
FINANCE OFFICER

1220 SW FIFTH AVE.
PORTLAND, OR. 97204
503/248-4000

July 25, 1975

MEMO

TO: Commissioner Charles Jordan

FROM: Ken Hammon, Finance Officer

SUBJECT: CHURCH-COMMUNITY ACTION PROGRAM (C-CAP) AUDIT

The recommendations proposed by the Portland Model Cities Agency relative to the audit performed by University Information Systems on the Church-Community Action Program (C-CAP) covering the period July 1, 1970 through May 31, 1971 is acceptable to the Bureau of Financial Affairs.

The adjusted final figure of \$857.01 owing to the Project is being withheld for reasons enumerated in Model Cities letter of August 20, 1973.

KMH:1e

cc: Al Jamison
Marino Bual

RECEIVED

JUL 31 1975

PORTLAND MODEL CITIES AGENCY

INTEROFFICE MEMORANDUM

DATE: May 29, 1975

TO: Ken Hammon, Finance Officer
City of Portland

FROM: Al Jamison, Director
Model Cities

RE: Recapitulation of Final Audit of Church Community Action Program

Several years ago University Information Systems did a final audit of Church-Community Action Program (C-CAP) for the period from July 1, 1970 through May 31, 1971. The purpose of this report is to bring all correspondence of the audit together so the final disposition of the Project can be made.

The report will, however, only address the finding citing an amount owing to the project. Findings dealing with internal control or topics that do not affect the ending amount owing will be ignored since Model Cities has not been connected with the project for several years.

Finding Number 3 - Other

The auditors noted a final figure owing to the project of \$1,154.86 (attachment A Pg. A-6). The ending figure was subsequently adjusted to \$857.01 (Attachment B and C).

The acting director at that time, with the support of the City of Portland (Attachment B), made the decision to withhold all monies owing to Project C-CAP for reason outlined in a letter dated August 20, 1973 (Attachment D). Model Cities, therefore, recommends no further action be taken concerning this project.

cc: Commissioner Charles Jordan
Andrew L. Branch & Co.
George Yerkovich/Auditor's Office
Administration Model Cities
Official Files

AL/PE:ah

AUDIT OF
THE CHURCH-COMMUNITY ACTION PROGRAM
(C-CAP)
A PORTLAND MODEL CITIES PROGRAM PROJECT
FINAL AUDIT REPORT
FOR THE PERIOD FROM JULY 1, 1970 THROUGH MAY 31, 1971
CONTRACT NUMBER 12857

Prepared by:

UNIVERSITY INFORMATION SYSTEMS
1107 Seneca Street
Seattle, Washington 98101
(206) 623-0900

Attachment A

RECEIVED

AUG 8 1972

ADMINISTRATION

RECEIVED

AUG 7 1972

MODEL CITIES

T A B L E O F C O N T E N T S

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UNIVERSITY INFORMATION SYSTEMS

1107 Seneca Street
Seattle, Washington 98101
July 13, 1972

Commissioner Neil Goldschmidt
Commissioner of Public Safety
City Hall
Portland, Oregon 97204

and

Mr. Paul Wm. Dixon
Chairman of Board of Directors
The Church-Community Action Program
106 N.E. Morris Street
Portland, Oregon 97212

Gentlemen:

We have examined the books and records of The Church-Community Action Program (C-CAP) from July 1, 1970, through May 31, 1971, for the purpose of: (1) determining compliance with provisions of the contract dated July 17, 1970, between the City of Portland and The Church-Community Action Program; (2) evaluating the internal controls, including a review of the accuracy and condition of the accounting records; and (3) determining the eligibility of expenditures as recorded. The examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances, including those prescribed in CDA Letter No. 8, Part II, dated June, 1969.

Based on our examination of the books and records of The Church-Community Action Program, discussions with various Project staff personnel and Portland Model Cities Program Evaluation and Information Department personnel, it is our opinion that the Project has complied with provisions of the contract in all material respects; the accompanying schedule of program costs was prepared in conformity with accounting procedures prescribed by the Department of Housing and Urban Development (HUD) and the costs reimbursed by the Portland Model Cities Program to the Project, and except for certain findings contained in this report (Finding Number 2 in the Audit Findings, General Section), were eligible costs in accordance with contract terms and Chapter 4 of CDA Letter No. 8, Part II, dated June, 1969, in all material respects.

Andrew L. Branch

Andrew L. Branch
Senior Partner

ALB/slt

AUDIT FINDINGS, INTERNAL CONTROL

A review was made of the accounting procedures and system of internal control of The Church-Community Action Program in connection with the examination of the accounts of the Project for the period from July 1, 1970 through May 31, 1971. The examination was conducted primarily to determine compliance of costs of the Project with the terms of the contract with the Portland Model Cities Program, and accordingly, would not necessarily disclose all weaknesses that may exist within the system. However, it did reveal some serious weaknesses in the accounting system and internal control procedures. Based on this review, it is our opinion that the Project's accounting system and internal control procedures do not meet the minimum requirements as set forth in CDA Letter No. 8, Part II, dated June, 1969, primarily because of the following conditions that existed during the examination period:

- a. A general ledger was not maintained in which a summation of all accounting transactions relating to the Program are recorded and classified in accordance with the chart of accounts prescribed in CDA Letter No. 8, Part II, dated June, 1969.
- b. Formal trial balances of the general ledger were not prepared each month.
- c. A general journal was not used to document and record transactions in the general ledger which are not recorded from the cash receipts and disbursement registers.
- d. Monthly bank reconciliations were not prepared.
- e. Monthly internal financial reports were not prepared and utilized by management to control their budgets and expenditures.
- f. The accounting system was not maintained on the accrual basis.

The following deficiencies were noted during the examination. However, since the Project is no longer funded by the Portland Model Cities Program (see Note 1), suggested recommendations to correct them are not included in this report. These deficiencies are mentioned for informational purposes only.

FINDING NUMBER 1 - CASH DISBURSEMENTS

- a. Bank reconciliations were not prepared on a monthly basis.
- b. Bank statements were not received unopened by the person who prepares the bank reconciliations.
- c. A purchase order system was not utilized.

- d. The following exceptions were noted during the detail testing and review of paid vouchers.
- (1) Invoices and supporting documents were not properly cancelled to prevent subsequent reuse or duplicate payments in numerous instances.
 - (2) There was no evidence indicated on invoices that they were verified as to prices, extensions, addition, receipt of items, etc., where appropriate.
 - (3) Vouchers were not examined by an authorized employee to ascertain completeness of attachments and various required approvals.
 - (4) Numerous payments were made without the indication of formal approval being annotated on the invoice.
 - (5) Several instances were noted of payments being made but a copy of the invoice or supporting documents could not be located. This discrepancy related primarily to local travel reimbursements and payments to consultants.

FINDING NUMBER 2 - PAYROLL

Time sheets were not required nor prepared by Project personnel. Payroll disbursements were based on each employee's monthly salary. CDA Letter No. 8, Part II, dated June, 1969 requires that an employee's time be supported by time sheet or other suitable records.

FINDING NUMBER 3 - GENERAL

- a. A general ledger was not maintained.
- b. Accounting routines were not set out in an accounting manual.
- c. The Project's accounting system was maintained on the cash basis.
- d. A general journal was not utilized to document and record general journal entries.
- e. Formal monthly trial balances were not prepared.

AUDIT FINDINGS, GENERAL

FINDING NUMBER 1 - PAYROLL

Payroll checks totaling \$ 238.00 were still outstanding at the time of our examination, and were brought to the attention of Robert Nelson, Project Director, who stated that they would be reissued and mailed to the employees involved.

FINDING NUMBER 2 - INELIGIBLE COSTS

A late penalty of \$111.57 was assessed against and paid by the Project for the late payment of payroll taxes. Since penalties, financial charges, etc. are considered ineligible costs by CDA Letter No. 8, Part II, dated June, 1969, the \$111.57 penalty was excluded from the Schedule of Program Costs included in this report.

FINDING NUMBER 3 - OTHER

- a. The Project exceeded its youth activity budget by \$192.46, although the total approved budget was underspent by \$4,753.19.
- b. Monthly invoices submitted to Model Cities could not be agreed to the Project's accounting records, because they were not properly maintained. The Project did not post its accounting transactions to a general ledger and utilized the cash basis of accounting.

Model Cities was invoiced for \$31,421.95 during the examination period whereas the Project's records, as adjusted, reflected \$32,576.81. The \$1,154.86 difference between invoiced program costs and actual costs per the Project's accounting records should be paid to the Project by the Portland Model Cities Program.

We appreciate the courtesy and cooperation extended to us by The Church-Community Action Program and Model Cities personnel during the examination and would be pleased to discuss our findings.

PORTLAND MODEL CITIES PROGRAM
CHURCH-COMMUNITY ACTION PROGRAM

CONTRACT NUMBER 12857

SCHEDULE OF PROGRAM COSTS
FOR THE PERIOD FROM JULY 1, 1970 THROUGH
MAY 31, 1971

<u>Category</u>	<u>Actual Costs</u>	<u>Revised Budget</u>	<u>Overrun (Underrun)</u>
Personnel	\$23,970	\$26,880	\$(2,910)
Consultants and Contract Services	1,452	2,426	(974)
Travel	340	500	(160)
Consumable Supplies	353	791	(441)
Rental, Lease and Purchase of Equipment	270	730	(460)
Youth Activities	<u>6,192</u>	<u>6,000</u>	<u>192</u>
	<u>\$32,577</u>	<u>\$37,330</u>	<u>\$(4,753)</u>

See accompanying notes.

PORTLAND MODEL CITIES PROGRAM
CHURCH-COMMUNITY ACTION PROGRAM

CONTRACT NUMBER 12857

NOTES TO SCHEDULE OF PROGRAM COSTS FROM
JULY 1, 1970 THROUGH MAY 31, 1971

NOTE 1 - ORGANIZATION AND CONTRACTUAL RELATIONSHIP:

The Project was funded by the Portland Model Cities Program for the period from July 1, 1970 through December 31, 1970, under a \$37,330 contract, to develop a comprehensive plan for youth recreation and cultural activities to be conducted in the Model Neighborhood during the twelve months of 1971. Funds were not provided to The Church-Community Action Program, the Project's administering agency, to implement programs and activities proposed in the plan completed during the contracted period. Although the contract terminated as of December 31, 1970, final fiscal transactions of the Project were not completed until May 31, 1971.

NOTE 2 - METHOD OF ACCOUNTING

The accounting records of The Church-Community Action Program were maintained on the cash basis.

NOTE 3 - RECONCILIATION OF SCHEDULE OF PROGRAM COSTS WITH COSTS REPORTED TO
THE CITY OF PORTLAND:

Program costs through May 31, 1971 reported by the Project to the City of Portland	\$31,422
Plus: Net Project costs not included on the final invoice submitted for reimbursement because its accounting records were not properly maintained	<u>1,155</u> <u>\$32,577</u>

RECEIVED

MAY 16 1973

MODEL CITIES

May 16, 1973

Mr. Elvin Roberts
Administrative Management Coordinator
Model Cities Agency
5329 N. E. Union Avenue
Portland, Oregon 97202

Dear Mr. Roberts:

You have requested my concurrence with, or disagreement to, the audit finding of University Information Systems, that the City of Portland "underpaid" the Church Community Action Program (C-CAP) by the amount of \$1,154.86 for Contract No. 12857.

First, "official" City of Portland records indicate that a total of \$31,719.80 was billed and paid to the C-CAP agency, rather than the amount of \$31,421.95, as reported in the audit. The net difference between the reported expenses and reimbursements is, therefore, \$857.01 rather than the \$1,154.86 reported by University Information Systems.

Secondly, I direct your attention to University Information Systems finding #1 d.(5) on page 3 of their audit report. Unsubstantiated expenditures by an operating agency are not considered to be eligible costs of the DHUD funded categorical Model Cities grant. This condition was incorporated into C-CAP Contract No. 12857 by attachment "A" to said contract. Therefore, the unsubstantiated amounts must be deducted from the total project costs unless cost documentation can be produced by C-CAP. The amounts involved should be resolved with the audit firm, University Information Systems.

Thirdly, I direct your attention to the inordinate audit cost of \$1,820.00 paid to University Information Systems to perform this audit. A total of 91 hours was expended on this audit; the majority of which were spent in the reconstruction of the C-CAP accounting records. This office has chronological documentation on file that C-CAP was in violation of the terms of their contract with the City in this material respect; that they were so notified; and that they gave written assurance of compliance to the Model Cities Agency some 3 1/2 months prior to the contract termination date of December 31, 1970.

May 16, 1973

It is our recommendation that a determination be made by the Model Cities Agency as to the excess audit time necessitated by University Information Systems because of this contract violation. Such amount should then be offset against any monies found to be due after resolving steps one and two.

Very truly yours,

K. M. Hammon
Finance Officer

BY: 

Administrative Accountant

RJ/nim

CC: Commissioner Schwab
Hal Johnson, Director - Management Services
George Yerkovich, City Auditor
Ken Hammon, Finance Officer
University Information Systems

UNIVERSITY INFORMATION SYSTEMS
1107 Seneca Street
Seattle, Washington 98101
(206) 623-6900

May 22, 1973

RECEIVED

MAY 31 1973

MODEL CITIES

Mr. Elvin Roberts
Administrative Management Coordinator
Model Cities Agency
5329 N.E. Union Avenue
Portland, Oregon 97202

Dear Mr. Roberts:

You requested in your recent letter to me that Mr. Robert Jones of the City Auditor's Office and I should compare the figures contained in the Church Community Action Program (C-CAP) audit report with the City of Portland financial records and report any discrepancies, if any, to you so that a final settlement can be made with the Project.

Mr. Jones and I did as you requested and noted the following differences between the "official" City of Portland records and the University Information Systems C-CAP audit report (which he reported to you in his May 16, 1973 letter):

Amount billed and paid to the Project - Per the City of Portland records	\$31,719.80
Amount paid to the Project by the City of Portland - Per the audit report	<u>31,421.95</u>
Net difference	<u>\$ 297.85</u>

Therefore, the net difference between the total Project expenses per the audit report and total reimbursements received by the Project from the City of Portland should be changed to \$857.01 instead of \$1,154.86 with which we concur. Hence, this letter hereby amends the audit report to reflect this \$297.85 difference.

As a result of the conditions of the financial records of this Project, a considerable amount of time was spent reconstructing the accounting records. We extended our audit scope and determined cash receipts from all sources, including the City of Portland, by a procedure commonly referred to as a "proof of cash" whereby all cash receipts were taken directly from bank statements and summarized. The \$297.85 difference occurred because payment received by the Project from the City of Portland was entered on the bank statement as \$3,216.54. However, Mr. Robert Jones informed me during our telephone conversation last week that based on his inspection of the warrant issued by the city the actual payment was for \$3,514.39. The bank apparently offset some charges against this warrant and entered only the net deposit on the bank statement, which is not the customary practice.

Attachment C

RECEIVED

JUN 1 1973

ADMINISTRATION

Mr. Elvin Roberts
May 22, 1973
page two

In order to eliminate differences like this on future audit reports, we have decided to expand our audit scope to include a review of the City of Portland official records and reconcile the same to our audit report figures, if necessary.

Thank you for your patience and cooperation.

Sincerely,

Andrew L. Branch

Andrew L. Branch

cc: Andrew Raubeson, Acting Director
Mildred Schwab, Commissioner, Department of Public Affairs
George Yerkovich, City Auditor
Robert Jones, Administrative Accountant
Hal Johnson, Director, Management Services
Ken Hammon, Finance Officer

ALB/kk

Attachment C • 2

RECEIVED
JUL 1 1973
ADMINISTRATION

cc: Com. [unclear]
H. Olson
B. Jones
B. Nelson
F. Roberts
Fiscal Files
Official Files

August 20, 1973

Paul William Dixon
C-CAP
5048 N. Commercial
Portland, Oregon

Re: Flort Action Year Audit - C-CAP Recreation Program
Contract 57


Dear Mr. Dixon:

As a result of a meeting held in my office with Mr. Nelson, of C-CAP, and Mr. Roberts, of Model Cities, the City Demonstration Agency feels it must reject a claim of \$867.01 due to your agency for the following reasons:

1. C-CAP's records had to be reconstructed by the CDA auditors because there were no apparent records available. As a result of this reconstruction, this agency had to pay -- not only for the audit but -- for the reconstruction of your records as well.
2. CDA Letter #2, Part II, specifically states that each operating agency shall establish and maintain on a current basis an adequate accounting system on an accrual basis in accordance with generally accepted accounting principles and standards.
3. CDA Letter #2, Part II, also states that if an audit discloses that an operating agency can not comply with maintaining an adequate accounting system, the City is responsible for that maintenance.
4. The City Auditors in office informed you of your bookkeeping deficiencies as late as September, 1970, and your agency gave written assurance of compliance.

If there are any questions regarding this decision, please feel free to contact me.

Sincerely,


Andrew Raubeson
Acting-Director

Attachment

cc: Com. Schwab
H. Opton
B. Jones
B. Nelson
E. Roberts ✓
Fiscal Files
Official Files

August 20, 1973

Paul William Dixon
C-CAP
5548 N. Commercial
Portland, Oregon

Re: First Action Year Audit - C-CAP Recreation Program
Contract #12857

Dear Mr. Dixon:

As a result of a meeting held in my office with Mr. Nelson, of C-CAP, and Mr. Roberts, of Model Cities, the City Demonstration Agency feels it must reject a claim of \$857.01 due to your agency for the following reasons:

1. C-CAP's records had to be reconstructed by the CDA auditors because there were no apparent records available. As a result of this reconstruction, this agency had to pay -- not only for the audit but -- for the reconstruction of your records as well.
2. CDA Letter #8, Part II, specifically states that each operating agency shall establish and maintain on a current basis an adequate accounting system on an accrual basis in accordance with generally accepted accounting principles and standards.
3. CDA Letter #8, Part II, also states that if an audit discloses that an operating agency can not comply with maintaining an adequate accounting system, the City is responsible for that maintenance.
4. The City Auditors Office informed you of your bookkeeping deficiencies as late as September, 1970, and your agency gave written assurance of compliance.

If there are any questions regarding this decision, please feel free to contact me.

Sincerely,


Andrew Raubeson
Acting Director

Attachment

PORTLAND MODEL CITIES - CITY DEMONSTRATION AGENCY

Interoffice Memorandum

August 14, 1973

TO: Andrew Raubeson
Acting-Director

FROM: Elvin Roberts
Admn. Management Coordinator

SUBJECT: C-CAP AUDIT

Sometime ago, you requested this office to determine the validity of the amount of money due C-CAP as a result of an audit performed by University Information Systems.

University Information Systems and the City Auditors Office now agree that the amount of money due C-CAP is \$857.01. However, this office would recommend that payment not be made for the following reasons:

1. C-CAP's records were reconstructed by University Information Systems because there were no apparent records other than cancelled checks. Therefore, the expenditures were unsubstantiated (HUD specifically requires a full set of substantiated records).
2. It cost the City Demonstration Agency \$1,820.00 to reconstruct the records for this agency (C-CAP).
3. The City Auditors Office has documentation informing C-CAP of their bookkeeping deficiencies as late as September, 1970, and that they gave written assurance of compliance. The audit, however, does not indicate compliance.
4. Additional research also indicates that a request to C-CAP dated August 16, 1972, asking for a response to the audit was never received by this office.

The area which is of concern is the "unsubstantiated expenditures." As you know, if HUD should also audit this agency, they could declare all unsubstantiated costs ineligible. If they should, the City would be responsible for repaying this money to HUD. This is my main reason for recommending that no further funds be disbursed to this agency.

EDR:cfc _____

cc: B. Jones
P. Dixon
Official Files

PORTLAND MODEL CITIES - CITY DEMONSTRATION AGENCY

Interoffice Memorandum

July 18, 1973

TO: Andrew Raubeson
Acting-Director

FROM: Elvin Roberts
Admn. Management Coordinator

SUBJECT: C-CAP AUDIT - FIRST ACTION YEAR

Sometime ago, you requested this office to inquire about the validity of an audit report where it was determined that the City of Portland owed the Youth Program (C-CAP) an additional \$1,154.86.

As a result, I asked University Information Systems and the City Auditors Office to come to an agreement regarding the amount of money due C-CAP.

The University Information Systems was forced to reconstruct the records of C-CAP in order for an audit to be performed. The only method in which to reconstruct C-CAP's records was to perform a "proof of cash."

As a result of proving cash deposits, one deposit was less (\$297.85) than the warrant issued by the City. Apparently, the bank deducted a bank loan and deposited the difference to C-CAP's account.

Both the University Information Systems and the City Auditors Office agree that the true underpayment to C-CAP is \$857.01.

The City Auditors Office makes further reference to Finding No. 1 d. (5) of University Information Systems audit report (see attachments) which poses a new question. Does the CDA accept the unsubstantiated expenditures (the only proof at present are cancelled checks)?

If the audit is accepted, as prepared by University Information Systems, and at a later date HUD conducts an audit and disallows those costs, the City would then be liable for those costs.

The other concern is the additional work performed by University Information Systems vs. the underpayment to C-CAP.

As you are aware, these problems have been known for some time. I feel that a decision should be made.

I would like to meet with you to discuss this matter more fully.

EDR:cfc _____

Attachments

UNIVERSITY INFORMATION SYSTEMS
1107 Seneca Street
Seattle, Washington 98101
(206) 623-0900

May 22, 1973

RECEIVED

MAY 31 1973

MODEL CITIES

Mr. Elvin Roberts
Administrative Management Coordinator
Model Cities Agency
5329 N.E. Union Avenue
Portland, Oregon 97202

Dear Mr. Roberts:

You requested in your recent letter to me that Mr. Robert Jones of the City Auditor's Office and I should compare the figures contained in the Church Community Action Program (C-CAP) audit report with the City of Portland financial records and report any discrepancies, if any, to you so that a final settlement can be made with the Project.

Mr. Jones and I did as you requested and noted the following differences between the "official" City of Portland records and the University Information Systems C-CAP audit report (which he reported to you in his May 16, 1973 letter):

Amount billed and paid to the Project - Per the City of Portland records	\$31,719.80
Amount paid to the Project by the City of Portland - Per the audit report	<u>31,421.95</u>
Net difference	<u>\$ 297.85</u>

Therefore, the net difference between the total Project expenses per the audit report and total reimbursements received by the Project from the City of Portland should be changed to \$257.01 instead of \$1,154.86 with which we concur. Hence, this letter hereby amends the audit report to reflect this \$297.85 difference.

As a result of the conditions of the financial records of this Project, a considerable amount of time was spent reconstructing the accounting records. We extended our audit scope and determined cash receipts from all sources, including the City of Portland, by a procedure commonly referred to as a "proof of cash" whereby all cash receipts were taken directly from bank statements and summarized. The \$297.85 difference occurred because payment received by the Project from the City of Portland was entered on the bank statement as \$3,216.54. However, Mr. Robert Jones informed me during our telephone conversation last week that based on his inspection of the warrant issued by the city the actual payment was for \$3,514.39. The bank apparently offset some charges against this warrant and entered only the net deposit on the bank statement, which is not the customary practice.

RECEIVED

JUN 1 1973

ADMINISTRATION

Mr. Elvin Roberts
May 22, 1973
page two

In order to eliminate differences like this on future audit reports, we have decided to expand our audit scope to include a review of the City of Portland official records and reconcile the same to our audit report figures, if necessary.

Thank you for your patience and cooperation.

Sincerely,

Andrew L. Branch

Andrew L. Branch

cc: Andrew Raubeson, Acting Director
Mildred Schrab, Commissioner, Department of Public Affairs
George Yerkovich, City Auditor
Robert Jones, Administrative Accountant
Hal Johnson, Director, Management Services
Ken Hammon, Finance Officer

ALB/kk

RECEIVED
JUL 1 1973
ADMINISTRATION



RECEIVED

MAY 16 1973

MODEL CITIES

May 16, 1973

BUREAU OF
FINANCIAL AFFAIRS
CITY OF PORTLAND
FINANCIAL DIVISION

12, 1500 E. THURSTON
PORTLAND, OREGON 97201
503-223-1041

Mr. Elvin Roberts
Administrative Management Coordinator
Model Cities Agency
5329 N. E. Union Avenue
Portland, Oregon 97202

Dear Mr. Roberts:

You have requested my concurrence with, or disagreement to, the audit finding of University Information Systems, that the City of Portland "underpaid" the Church Community Action Program (C-CAP) by the amount of \$1,154.86 for Contract No. 12857.

First, "official" City of Portland records indicate that a total of \$31,719.80 was billed and paid to the C-CAP agency, rather than the amount of \$31,421.95, as reported in the audit. The net difference between the reported expenses and reimbursements is, therefore, \$857.01 rather than the \$1,154.86 reported by University Information Systems.

Secondly, I direct your attention to University Information Systems finding #1 d.(5) on page 3 of their audit report. Unsubstantiated expenditures by an operating agency are not considered to be eligible costs of the DEUD funded categorical Model Cities grant. This condition was incorporated into C-CAP Contract No. 12857 by attachment "A" to said contract. Therefore, the unsubstantiated amounts must be deducted from the total project costs unless cost documentation can be produced by C-CAP. The amounts involved should be resolved with the audit firm, University Information Systems.

Thirdly, I direct your attention to the inordinate audit cost of \$1,820.00 paid to University Information Systems to perform this audit. A total of 91 hours was expended on this audit; the majority of which were spent in the reconstruction of the C-CAP accounting records. This office has chronological documentation on file that C-CAP was in violation of the terms of their contract with the City in this material respect; that they were so notified; and that they gave written assurance of compliance to the Model Cities Agency some 3 1/2 months prior to the contract termination date of December 31, 1970.

Awake Books, were not in order

COA instructor U.S.T.

Reinstatement hedgers -

Reinstatement

*ask Commissioner
for extension
of time*

May 16, 1973

It is our recommendation that a determination be made by the Model Cities Agency as to the excess audit time necessitated by University Information Systems because of this contract violation. Such amount should then be offset against any monies found to be due after resolving steps one and two.

Very truly yours,

K. M. Hammon
Finance Officer

BY: 

Administrative Accountant

RJ/mm

CC: Commissioner Schwab
Hal Johnson, Director - Management Services
George Yerkovich, City Auditor
Ken Hammon, Finance Officer
University Information Systems

April 24, 1973

Andrew Branch
University Information Systems
1107 Seneca Street
Seattle, Washington 98101

and

Robert Jones
City Auditors Office
1220 S. W. Fifth Avenue
Portland, Oregon 97204

Gentlemen:

As you are aware, the audit report prepared by University Information Systems indicated that C-CAP's expenses were more than they reported to the City for reimbursement (\$1,152.00).

As a result of CHPA's audit which indicated that they were underpaid by \$500 and later proved incorrect, this agency is requesting that University Information Systems and the City Auditors Office concur in the amount due C-CAP prior to a request for ordinance authorizing payment to C-CAP.

C-CAP is very anxious to receive this additional payment, if warranted. It would be greatly appreciated if this matter could be resolved as quickly as possible.

Sincerely,

Elvin G. Roberts
Adm. Management Coordinator

EDR:cfc

cc: A. Raubeson
C. Spear
K. Hammond
H. Opton
P. Dixon
R. Nelson
Fiscal Files
Official Files

C-CAP

Roberts info

Church-Community Action Program

106 N. E. Morris Street • Portland, Oregon 97212

Phone: ~~287-2736~~ 288-0168

March 30, 1973

Mr. Andrew Raubeson
Model Cities Agency
5329 N. E. Union Ave.
Portland, Oregon 97211

Dear Mr. Raubeson:

We have written your office several times about the \$1152.00 due C-CAP from the Youth Planning Project that ended Dec. 31, 1970. The firm that did the audit said this money was due and payable without any further claim on our part. This was last August.

So far we have received no reply to our letters. Phone inquiries have not resulted in any positive action. May we be advised when this money will be paid?

Sincerely yours,



Robert E. Nelson

REN:mja
CC: Paul Dixon
Andrew L. Branch
Mildred Schwab
Neil Goldschmidt

RECEIVED

APR 2 1973

MODEL CITIES

RECEIVED
APR 3 1973
ADMINISTRATION

February 9, 1973

Robert E. Nelson
Church Community Action Program
106 N. E. Morris Street
Portland, Oregon 97212

Dear Mr. Nelson:

In answer to your letter of January 29, 1973, I can now inform you that this office has requested the City Council to prepare and act upon the required ordinance to reimburse you the \$1,155 in expenses. The ordinance is required because the contract between your agency and the City of Portland has expired and the City has no authority to pay these funds at this time.

This process will require from three to four weeks. When this ordinance is passed, our agency will be able to reimburse you the \$1,155 in question.

I am sorry this has taken as long as it has, but now that this process has been initiated I hope your funds will be to you shortly.

Sincerely,

Elvin D. Roberts
Admn. Management Coordinator

EDR:cfc

cc: A. Raubeson
G. Holliday
Official Files

C-CAP

Church-Community Action Program

106 N. E. Morris Street • Portland, Oregon 97212

Phone: 287-3736

Jan 29, 1973

Mr. Elvin Roberts
Model Cities
5329 N.E. Union
Portland, Oregon

Dear Mr. Roberts:

Last July the University Information Systems completed the audit of the C-CAP Youth Planning Project and stated that \$1,155.00 was due C-CAP from Model Cities. At that time you said we could expect payment in 60 days or so.

This was later extended another 30 days. I have talked to you two or three times about the delay. The last time, about six weeks ago, you said you would write us a letter explaining the delay and what was happening. This letter has not been received.

We feel the payment of \$1,155.00 should be processed immediately and should not be tied up with other frustrations Model Cities may be having with other projects.

Sincerely yours,



Robert E. Nelson

copies to: Andrew L. Branch
Neil Goldschmidt
Mildred Schwab
Paul W. Dixon

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JAN 30 1973
ADMINISTRATION

JAN 30 1973

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C-CAP

Church-Community Action Program

106 N. E. Morris Street • Portland, Oregon 97212

Phone: 287-3736

November 17, 1972

Mr. Elvin Roberts
Model Cities
5329 N.E. Union Ave.
Portland, Ore 97211

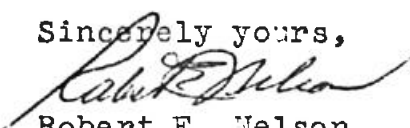
Dear Mr. Roberts:

On July 20, Paul Dixon and I met with you and Mr. Andrew Branch to go over the final audit report of the C-CAP Youth Planning Project. The report stated that \$1,154.86 was still due to C-CAP and that it should be paid.

You said that payment should come through in about 60 days. Later you said it would take another 30 days.

Is there some way this can be processed without further delay? We do need to receive this payment.

Sincerely yours,


Robert E. Nelson

copies:

Paul Dixon
Neil Goldschmidt
Andrew Raubeson

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NOV 20 1972

Deputy Director

October 30, 1972

**Mr. Dale W. Wineberg
President
Board of Directors
Comprehensive Health Planning Association
for the Metropolitan Portland Area
2525 SW Third Avenue
Portland, Oregon 97204**

Dear Mr. Wineberg:

The reply to our request that a response be made to the audit findings prepared by the City Demonstration Agency's (CDA) auditors, University Information Systems, is acceptable.

A recommendation will be made to Commissioner Goldschmidt to grant a waiver to the Comprehensive Health Planning Association so that a reimbursement of \$538.31 may be issued to your agency. Once the Commissioner approves this recommendation, an ordinance will be created authorizing the City to make payment to you.

Since the CDA is in the process of making recommendations to the Commissioner, involving all of its operating agencies, an ordinance will not be created for a "single" agency but, rather, for all agencies so that the City Council will not have to pass separate ordinances on an individual basis.

Any questions you may have regarding this decision may be directed to Mr. Elvin Roberts, Administrative Management Coordinator for this agency.

Sincerely,

**Charles Jordan
Executive Director**

**cc:
Comm. Goldschmidt
A. Raubeson
~~E. Roberts~~
B. Jones
R. Rix
A. Branch (cc: of O/A response)
Official files (2)
Director
gc**

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ADMINISTRATION**

August 16, 1972

Paul Wm. Dixon
Chairman of Board of Directors
Church-Community Action Program
106 N.E. Morris Street
Portland, Oregon 97212

Dear Mr. Dixon:

I am sure that by now you have received the audit report prepared by the auditing firm of University Information Systems on the Church-Community Action Program (C-CAP), a Portland Model Cities Program, for the period from July 1, 1970 through May 31, 1971.

As is normal in audit procedures, please address the findings and reply in writing to my attention, within fifteen calendar days from receipt of this letter, outlining the progress made to date, and plans to resolve those matters of concern included in the report.

Sincerely,

Charles Jordan
Executive Director

cc: A. Raubeson/Deputy Director
E. Roberts/Admn. Mgmt. Coordinator
J. Carroll/City Hall
A. Sharp/Evaluation Supervisor
Author/Jordan
Official Files (2)

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AUG 17 1972
ADMINISTRATION