

This audit of the Independence Avenue Community Improvement District (IACID) focuses on the district's transparency and accountability. During our audit selection process for fiscal year 2017, the City Auditor's Office received a number of suggestions from the public expressing concern about the administration, transparency, and accountability of the Independence Avenue Community Improvement District.

The IACID should improve its accountability and transparency to the public and property owners in the district. The IACID has not established an internal control structure to protect its more than \$730,000 in annual sales and use tax revenues. In our review of payments and reimbursements, we identified a number of problems. Payments and reimbursements were not always supported by appropriate documentation, incompatible duties were not segregated, and checks were not signed by two individuals as required by board resolution.

The IACID has not acted transparently, despite being a political subdivision of the state funded primarily through sales and use taxes collected from the public. Some board resolutions are not reflected in board minutes. Meeting minutes record that individuals who were not board members, made and seconded motions during board meetings. The IACID has not established and maintained a consistent board meeting schedule. And, the IACID's website has limited and sometimes inaccurate information.

It is unclear who is representing the interests of the IACID. Overlaps in the governance and management structures of the IACID and its managing agency have made conflicts of interest inevitable. But IACID bylaws and board resolution requirements to mitigate these conflicts were not followed.