

SAO reliance is an “after the fact review”, but when facts are established, necessary actions should be taken.
What did you know? When did you learn about it? What did you do when you learned about it?

2016/2017 SAO Reports

- Issued February 2020
- **Adverse Opinion**
 - An adverse opinion is a professional opinion made by an auditor indicating that **a company's financial statements are misrepresented, misstated, and do not accurately reflect its financial performance and health.**
 - Opinion comes 3 to 4 years after the fact
- This clearly established a caused for action to be taken
- Explaining the Finding was due to accounting conversion still should have triggered an administrative and board review
- Accountability measures were being considered but never got implemented
 - Pandemic impacts diverted attention

2018/2020 SAO Reports

- Began December 2020
 - 2018 Annual Report Falsely Filed with SAO discovered in 2020
- Issued December 2021
- Accountability Audit Only
 - Two Findings Relating to Financial Condition
- Fraud Report
 - 2 counts of misappropriation of funds by former CFO
- Financial Audit due by March 2022
- Actions were taken in response to the Findings

2021 SAO Reports

- Report to be filed no later than May 2022
- Audit to be conducted late 2022



FWPDA Financial Overview – “What did you do when you learned about it?”

CFO resignation was received

ED resignation was received

Board member resignations were received

Financial disclosure to SAO in 2020

Fraud Investigation commenced in 2020

New oversight and accountability measures were approved by
City Code/Charter Amendment in 2020

New Board was seated

New Administration was put in place



Looking Forward ~ Recommendations:

Establish monthly meetings of Finance and Audit Committee

Conduct a review of internal controls and practices

Update financial policies

Conduct quarterly compliance test of the internal controls

Change to Annual Audit review

Report on a cash basis in compliance with BARS accounting system

Maintain independent reporting by contract CPA

Schedule Quarterly financial review by full Board based on required filings with the City/State

Perform annual evaluation of Executive Director that measures performance in part on compliance with financial reporting requirements

Require Board review and approval of the Annual Financial Report prior to its submission to the SAO





