

# King County Regional Homelessness Authority

## 1. Governance and Internal Controls

Financial Policies

Publication date:

### Authority

The King County Regional Homelessness Authority (“KCRHA” or “the Authority”) was established on December 19, 2019 under the provisions of Washington’s Interlocal Cooperation Act, Section [39.34 of the Revised Code of Washington \(RCW\)](#), through an Inter-Local Agreement (ILA) between King County, Washington and the City of Seattle. The Authority is a public entity separate and apart from the parties to the ILA, capable of exercising independent powers. The mission of the Authority is to significantly decrease the incidence of homelessness throughout King County, using equity and social justice principles. The Authority will provide consolidated, aligned services for individuals and families who are experiencing homelessness or who are at imminent risk of experiencing homelessness in King County, will coordinate existing services for people experiencing homelessness, and will design, fund and operate other homelessness and related social services using equity and social justice principles to assist those in the community who are eligible for those services. The KCRHA is governed by the Governing Committee (GC) and administered by the Implementation Board (IB).

### General Policies

The King County Regional Homelessness Authority (“KCRHA” or “the Authority”) will maintain sound financial practices in accordance with all federal, state and local laws and regulations and direct its financial resources towards meeting the Authority’s long-term goals.

The Authority will maintain and further develop programs to assure its long-term ability to pay the costs necessary to provide the level and quality of service required by its stakeholders.

### Fiscal Policies Adoption

The ILA establishes the Implementation Board as the approval authority for the KCRHA’s internal policies for major expenditures and transactions. By action of the Implementation Board of the KCRHA, this establishes the Authority’s initial financial policies.

### Governing Committee’s Oversight Responsibilities

- Remove Implementation Board Members for cause as provided in the ILA
- Recommend to the County Council and Seattle City Council amendments to the ILA
- Adopt and amend Bylaws of the Governing Committee
- Confirm Implementation Board Members in accordance with the ILA
- Approve for implementation the recommendations of the staffing plan and organization structure described in the ILA .

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- Approve performance metrics
- Change the name of the Authority
- Approve or amend Goals, Policies, and Plans recommended by the IB
- Approve or amend the annual budget recommended by the IB
- Confirm or remove the Chief Executive Officer (CEO)

## Implementation Board's Oversight Responsibilities

According to the ILA, the IB is responsible for the operations and management of the Authority and shall provide strategic vision, community accountability and robust oversight for the Authority.

- Recommend the hiring of a Chief Executive Officer to the Governing Committee
- Develop and recommend Goals, Policies, and Plans to the GC
- Adopt an annual performance report and transmittal to the GC
- Develop and recommend to the GC policies and processes for competitive procurement of services
- Develop and recommend an operating budget to the GC
- Develop and transmit to the GV an annual funding allocation report
- Adopt an annual work plan which includes a summary of projects and activities to be undertaken during the budget period
- Cause the Authority to implement the goals, policies, and plans approved by the GC
- Ensure to formalize sub-regional planning
- Adopt policies and procedures for oversight of major expenditures and other transactions of the Authority, including delegation of contracting authority to the Chief Executive Officer and the minimum standards for procurement of goods, services and property
- Conduct regular performance evaluation of the CEO
- Cause the Authority to carry out the duties in the ILA

## Internal Controls

Fiscal policies established for the accounting functions shall be designed to achieve and preserve, to the maximum practical extent, internal controls to safeguard the assets of the Authority, minimize and detect errors and omissions, and maintain an audit trail for independent review of the Authority's activities.

It is the policy of the Authority to maintain a cost-effective system of internal controls. Such internal controls are to be established and documented in writing and reviewed and updated periodically (at least every two years) to reflect the change in financial operations and regulatory requirements.

It is the responsibility of the IB to adopt fiscal policies. Day-to-day fiscal responsibility is delegated to the CEO. The CEO acts as the primary fiscal agent for operational matters, implementing all financial policies, and working within approved budget.

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Generally, the CEO and his delegate, Chief Administrative Officer, with oversight of the Implementation Board, has overall day-to-day operations responsibility for managing the Authority's funds, ensuring the accuracy of accounting records, oversight of internal controls, implementation of financial procedures, objectives and policies, oversight of financial statements preparation, review and approval. The Accounting Team is directly supervised by the Finance Director, and is responsible for bookkeeping, accounting, preparation and making deposits of cash receipts, accounts payable processing, invoice preparation and accounts receivable processing, capital asset management, and grant management. The Accounting Team, in addition to specific responsibilities documented in these fiscal policies, is responsible for monthly close, general ledger journal entries, monthly preparation of financial statements and other financial reports for both internal management and external reporting purposes.

Segregation of duties must be maintained and distributed among multiple employees to ensure protection from fraud and error, and to assure transparency. The distribution of duties and responsibilities aims for maximum protection of public funding and assets while also considering efficiency of operations.

The Chief Administrative Officer is responsible for the implementation, maintenance, and documentation of procedures to implement the system of internal controls and will establish an annual process of independent review by an external audit firm. The review will provide assurances of strong internal controls by reviewing compliance with previously established policies and procedures.

These policies apply to all financial operations conducted by the Authority irrespective of the source of funds. However, nothing in these policies shall prevent the KCRHA from complying with more restrictive terms and conditions of any grant, contract, gift, or bequest, which are consistent with the law.

All Authority officers and employees, GC and IB Members are hereby informed that these fiscal controls are mandatory. Any violations are to be promptly reported to a Co-Chair of the Implementation Board, or the relevant committee.

## Whistleblower Protection

The Authority encourages all its employees to bring instances of improper conduct, such as waste, fraud, financial impropriety or abuse, to the attention of the CEO, who will report it to the Implementation Board, who will in turn investigate the problem promptly and fairly.

Confidential, and anonymous, if so desired, reporting of improper conduct can be made through the following methods:

- A letter,
- An email,
- A telephone call, or
- In-person meeting to any member of the Implementation Board, who will welcome the contact.

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Any report of improper conduct will be taken seriously and promptly investigated. The person or persons charged with alleged impropriety shall be given an opportunity to respond to the allegations in person or in writing. Even if the matter is determined not to constitute improper conduct, the individual making the report will not be retaliated against. That person shall not be subject to any punishment – including firing, demotion, suspension, reprimand, harassment, failure to consider for promotion, or any other kind of discrimination – in retaliation for making a report.

The Authority will maintain confidential records of all actions taken under this policy.