



Governing Board April Special Meeting

Theory of Change

If we create a homelessness response system that centers the voices of people with lived experience of homelessness, then we can focus on responding to needs and eliminating inequities, to end homelessness for all.

Date & Time

April 24, 2026, 3:00 - 5:00pm PT

Location

Seattle Public Library, Level 6 Conference Room, 1000 4th Ave, Seattle; [Zoom](#)

Agenda

A. Call to Order

Theory of Change

Land Acknowledgement

B. Roll Call

C. Approval of Consent Agenda

February 2026 Governing Board Meeting Minutes

D. CEO Report - Dr. Kelly Kinnison, Chief Executive Officer

E. Public Comment

F. Briefings

Briefing No. 2026-01

Presentation on Forensic Evaluation of KCRHA (2021-2025)

- *Mike Nurse, Clark Nuber P.S.*

G. Discussion and Action

2026-04

RESOLUTION 2026-04

A RESOLUTION establishing a Finance Committee

H. Executive Session

Executive Session to discuss matters relating to RCW 42.30.110 subsection (i).

**Please note that Executive Session is closed to the public.*

I. Adjournment

Next Regular Meeting

May 22, 2026; 10:00am-12:00pm

NOTICE: The Governing Board can be called in to Executive Session as needed, pursuant to RCW 42.30.110.





KCRHA Governing Board
1:00pm-3:00pm PT

Special Meeting Minutes

February 20, 2025
Chair: Katie Wilson

Clerk: Lisa Edge and Affiong Ibok

A. Call to Order

The KCRHA Governing Board met virtually on February 20, 2025 pursuant to the Interlocal Agreement. The meeting began at 1:05pm. The Theory of Change and Land Acknowledgement were read by the Clerk.

B. Roll Call

<i>Last</i>	<i>First</i>	<i>Present</i>	<i>Absent</i>	<i>Notes</i>
<i>Zahilay</i>	<i>Girmay</i>	X		
<i>Barón</i>	<i>Jorge</i>	X		
<i>Fain</i>	<i>Steffanie</i>	X		
<i>Aviva</i>	<i>Yvonne-Monique</i>	X		
<i>Jiang</i>	<i>Kelly</i>	X		
<i>Robertson</i>	<i>Betsy</i>	X		<i>Mayor Robertson as alternate for Member Ed Prince.</i>
<i>Backus</i>	<i>Nancy</i>		X	
<i>Hay</i>	<i>Kent</i>	X		
<i>Wilson</i>	<i>Katie</i>	X		
<i>Foster</i>	<i>Dionne</i>	X		
<i>Rinck</i>	<i>Alexis-Mercedes</i>	X		
<i>Bracken</i>	<i>Ellyse</i>	X		

The Board had quorum at roll call with 11 members.

C. Co-Chair Elections

The chair called for nominations. Member Baron nominated Member Wilson and Member Zahilay for co-chairpersons. Member Foster moved to elect Member Wilson and Member Zahilay as co-chairpersons which was seconded by Member Rinck. The board voted unanimously to approve these nominations.



D. Approval of the Consent Agenda

Member Bracken motion to approve the consent agenda. It was seconded by Member Kent and passed via unanimous voice vote.

E. CEO Updates

CEO Kinnison provided an updated the board on the 2026 Point-in-Time process, conducted in late January and early February, as well as the Authority’s continued collaboration with city and county partners around the possible reduction in federal funding. The report also included highlights from the end of 2025, including the standing up of four seasonal shelters which together add 100 beds during severe weather season.

F. Public Comment

The following individuals provided comments.

Sharon Lee
Marta Kidane

G. Discussion and Possible Action

2026-01
RESOLUTION 2026-01
A RESOLUTION approval of the 2026 Annual Budget
- *Tiffany Brooks, Interim Chief Business Officer*

Member Foster made a motion to approve resolution 2026-01 and it was seconded by Member Barón. The motion passed unanimously.

<i>Last</i>	<i>First</i>	<i>Aye</i>	<i>Nay</i>	<i>Absent</i>
<i>Zahilay</i>	<i>Girmay</i>	X		
<i>Barón</i>	<i>Jorge</i>	X		
<i>Fain</i>	<i>Steffanie</i>	X		
<i>Aviva</i>	<i>Yvonne-Monique</i>	X		
<i>Jiang</i>	<i>Kelly</i>	X		



<i>Robertson</i>	<i>Betsy</i>	X		<i>Mayor Robertson as alternate for Member Ed Prince.</i>
<i>Backus</i>	<i>Nancy</i>			X
<i>Hay</i>	<i>Kent</i>	X		
<i>Wilson</i>	<i>Katie</i>	X		
<i>Foster</i>	<i>Dionne</i>	X		
<i>Rinck</i>	<i>Alexis-Mercedes</i>	X		
<i>Bracken</i>	<i>Ellyse</i>	X		

2026-02

RESOLUTION 2026-02

A RESOLUTION approval of the addendum to the Five-Year Plan

- Emily Grossman, Policy Analyst
- Remy Golla, Legislative Affairs Analyst

Member Foster made a motion to approve resolution 2026-02 and it was seconded by Member Hay. The motion passed unanimously.

<i>Last</i>	<i>First</i>	<i>Aye</i>	<i>Nay</i>	<i>Absent</i>
<i>Zahilay</i>	<i>Girmay</i>	X		
<i>Barón</i>	<i>Jorge</i>	X		
<i>Fain</i>	<i>Steffanie</i>	X		
<i>Aviva</i>	<i>Yvonne-Monique</i>	X		
<i>Jiang</i>	<i>Kelly</i>	X		
<i>Robertson</i>	<i>Betsy</i>	X		<i>Mayor Robertson as alternate for Member Ed Prince.</i>
<i>Backus</i>	<i>Nancy</i>			X
<i>Hay</i>	<i>Kent</i>	X		
<i>Wilson</i>	<i>Katie</i>	X		
<i>Foster</i>	<i>Dionne</i>	X		
<i>Rinck</i>	<i>Alexis-Mercedes</i>	X		
<i>Bracken</i>	<i>Ellyse</i>	X		



H. Executive Session

The board moved into Executive Session at 2:35pm for 20 minutes to discuss matters relating to RCW 42.30.110 subsection (i) to discuss personnel matters and possible litigation with legal counsel. No action was taken. Following Executive Session, the meeting adjourned.

I. Adjournment

Next Regular Meeting

March 27, 2026; 10:00am – 12:00pm

NOTICE: The Governing Board can be called in to Executive Session as needed, pursuant to RCW 42.30.110.

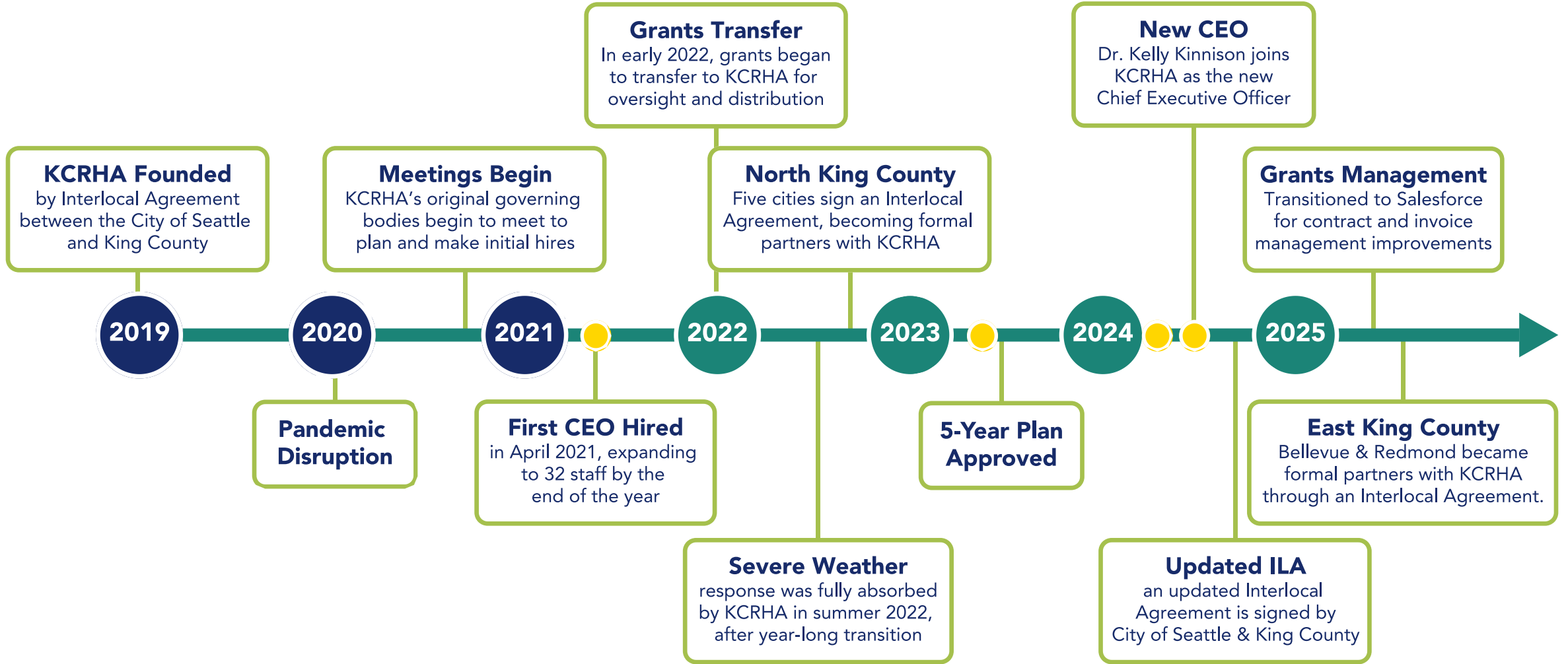


KCRHA
King County Regional Homelessness Authority

Governing Board CEO Report

Dr. Kelly Kinnison

April 24, 2026



Strengthening Financial Management: Progress to Date

- Strengthened CEO oversight of spending and signature authority
- Improved financial reporting and transparency with funders and Board
- Established more standardized budgeting and forecasting practices
- Implemented new grants management system (Salesforce) with clearer roles
- Strengthened monthly financial close process (moving toward audit-ready “hard close”)



Other Updates

- HUD's Continuum of Care Notice of Funding Announcement (NOFO) for 2026 is expected on May 29
- King County-City of Seattle Continuum of Care (CoC) System Collaborations and Partnerships Request for Information (RFI; no funding)
- Severe Weather Request for Qualifications (RFQ; no funding)



Clark Nuber PS

KCRHA Forensic Evaluation Summary of Findings

Prepared by
Clark Nuber, P.S.

April 24, 2026

Briefing for
KCRHA Governing
Board



Agenda

Section 1: Introduction

- Scope of Work
- KCRHA and Public Accountability
- What Are Internal Controls and COSO?
- Background Information

Section 2: Five Executive Key Takeaways

Section 3: High-Risk Areas

Section 4: Negative Cash Drivers

Section 5: Leadership, Staffing, and Oversight

Section 6: Recommendations and Next Steps

Section 7: Questions and Discussion

Introduction



Scope of Work

- **Question 1: Contributors to Negative Cash Balances:**
 - What factors (financial, operational, governance, etc.) have contributed to negative cash balances and limited financial transparency
- **Question 2: Governance and Risk Management**
 - What governance and risk management practices have been in place at KCRHA to protect public funds from potential fraud, waste, and abuse?
- **Question 3: Opportunities for Improvement**
 - What opportunities exist for KCRHA to strengthen its financial management practices, increase transparency, and reinforce trust in the organization's ability to fulfill its mission responsibly?

KCRHA and Public Accountability

- Federal law establishes comprehensive accountability requirements for organizations that receive or pass through federal funds, including documented internal controls, allowable and allocable costs, financial transparency, record retention, and auditability ¹
- Washington State law requires organizations that receive or spend public funds to demonstrate a valid public purpose, maintain transparent and complete financial records, safeguard public resources through appropriate controls, and submit to independent audit and oversight ²
- As a pass-through entity administering significant public resources in a highly visible policy area, the organization faces heightened expectations for transparency and accountability ³

¹ Summarized from Uniform Guidance, 2 CFR Part 200

² Summarized from RCW 43.09 and related sections of Washington State Law

³ Summarized from Uniform Guidance (2 CFR Part 200, including pass-through entity oversight requirements) and Washington State laws governing public funds, transparency, and independent audit (RCW 43.09 and RCW 42.56).

Internal Controls and Protection of Public Funds

What are Internal Controls?

- The steps an organization implements to protect public dollars, mitigate risk, and make sure they are in accordance with funding requirements.
- COSO is the gold standard framework for assessing risk and building internal controls for organizations and is required by Uniform Guidance.
- Internal controls are not operating as expected at KCRHA and put the organization at increased risk for:

Financial surprises and cash shortfalls

Lack of transparency and accountability

Audit findings and regulatory noncompliance

Inaccurate or unreliable financial information

Reputational damage and loss of stakeholder trust

Delayed or non-detection of errors and fraud

Increased risk of fraud and misuse of funds

Reactive leadership and crisis management

Higher long-term costs

Background Information

- Between April 2021 and July 2025, KCRHA had received approximately \$533.9M in funding from City of Seattle, King County, WA Dept. of Commerce, and several other sources
- Cash balances first became negative in November 2022, and started becoming more consistently negative in Dec 2023, reaching a total negative cash balance in the King County Investment Pool of (\$44.7M) in July 2025
- KCRHA has relied on cash advances and borrowing by “going negative” in the King County Investment Pool (KCIP) account to cover costs, resulting in accrued interest charges of \$1.26M
- KCRHA and Funder Perspectives on the Challenges at KCRHA

Executive Key Takeaways



Executive Key Takeaway #1

Barriers to Long-Term Sustainability

- Ongoing cash shortfalls with a negative (\$44.7M) cash balance in July 2025 along with open receivables of \$49.8M, noting that at least \$8M of the open receivables appear to be unreconcilable, risking overstatement of revenue and potential need for write-off
- Dependence on cash advances and “borrowing” (going negative) from the King County Investment Pool (KCIP), along with related escalating interest cost
- Internal KCRHA invoicing and reimbursement process results in significant delays and rework
- Delays and unresolved invoicing issues create a cumbersome accounting process.
- Challenges with providing reliable and/or timely financial information
- Administrative and program budget overspend

Why It Matters: Under current conditions, and without corrective action, the challenges may persist, including continued cash shortfalls and reliance on advances related to negative KCIP balances. Given the current operational resource constraints, it is possible that KCRHA may need outside support. A full corrective action plan may represent additional time and cost and could potentially result in disruption of the program funding processes.

Executive Key Takeaway #2

Internal Control Gaps Increase Risk

- Lack of a Documented Internal Control Framework (COSO)
- SAO audit internal control findings
- Documented funder concerns over internal controls
- Existing internal control gaps increase the risk for error, inaccurate financial reporting, noncompliance, and potential for fraud, waste and abuse
- Although we did not identify direct evidence of fraud in our testing, we cannot provide certainty around absence of fraud.
- An important existing control around cash access
- Observed control noncompliance in high-risk areas (P-Cards, etc.) as noted through sampled testing

Why It Matters: As a steward of public funds, KCRHA is required to minimize risk of fraud, waste, and abuse under Washington State law and Uniform Guidance rules, and those requirements are not being met in a meaningful way.

Executive Takeaway #3

Quality & Clarity of Accounting Records

- Overview of Accounting Records:
 - Prior to late 2024, accounting records, especially related to invoices, reimbursements, and advanced payments, are not transparent or detailed, and legacy balance issues remain that are difficult to explain or reconcile.
 - Reliance on workarounds and manual processes outside the accounting system
 - Transactions are recorded, but difficult to track from end-to-end
 - Incremental improvements with Salesforce, but it is not a magic or silver bullet
 - KCRHA does not customize reporting in NetSuite to easily fulfill all reporting requirements
 - Accounting records are kept on a hybrid cash-accrual basis (non-GAAP)
 - Due to the above issues, real-time accurate reporting is difficult

Why it Matters: Should KCRHA or stakeholders desire a detailed accounting prior to mid-late 2024, a rebuild of accounting records should be considered. Due to the transparency issues in the historical records, this could also potentially be costly, time intensive, and result in service disruptions since this would need to occur concurrently with normal operations.

Executive Key Takeaway #4

Inconsistencies in Financial Management, Budget Management, and Financial Reporting

- KCRHA has not yet established a consistent, documented monthly close cycle or standardized internal reporting package direct from the accounting system
- Budgets, which should have additional monitoring as part of the close process, are not done so in a way that prevents overspending
 - \$6.4M in programmatic spending over budget noted in 2026 (for 2025) which was not authorized by the City of Seattle
 - \$4.26M administrative overspend as of July 31, 2025
- The FY 2024 SAO financial audit found material misstatements (\$37M and \$17M)
- The current FY 2024 internal financial statements still contain a \$1.3M difference from the issued audited financial statements
- Financial policies and procedures need to be reviewed and updated to reflect the structural, financial, and risk factors that have evolved over time.

Why It Matters: Inconsistencies in financial management, budgeting, and financial reporting, should be managed through a strong close process, otherwise issues can occur that undermine confidence among stakeholders.

Executive Takeaway #5

Stabilization Could Require Significant Time and Financial Investment

The ongoing current and legacy issues at KCRHA are complex and multi-layered that will require significant systemic changes and proactive management to solve.

Highest Priorities (Equal Weight):

- Address the negative cash and interest liability
 - Example of why these priorities are so multi-layered
- Establish accurate, complete, and reliable reporting supported with a consistent monthly close
- Ensure proper budget management and oversight to address overspend issues
- Perform a risk assessment and align with COSO internal control framework methodologies (internal control framework gold standard) and Uniform Guidance rules

Why it Matters: Addressing these issues could help ensure KCRHA's long term stability and effectiveness. However, it may require a cost and time investment due to multiple, cross-connecting issues and possible need for outside consultant support.

High-Risk Areas



High Risk Areas: Employee Reimbursements

Employee Reimbursements Present an Elevated Allowability and Potential Fraud Risk

Employee reimbursements are one way to gain access to cash. The issues occur when costs are potentially unallowable and lack oversight and authorization.

Findings:

In our testing, we noted the following possibly unallowable costs:

- An Interim CFO was reimbursed for lodging, meals and incidentals (per diem rates) between September and November 2024. Total paid was \$9,019 and represented 28 days
- A Chief Program Officer was reimbursed for relocation costs totaling \$13,440 (\$12,500 for moving costs, \$940 for vehicle transport)
- Several additional sampled reimbursements, including some of the above, were noted as not having approval and/or underlying supporting documentation

Why it Matters: We were unable to determine the allowability of these costs under the administrative budget. However, we noted that they appeared unusual given typical reimbursement costs. We also noted that the relocation reimbursement was not included in the proposed budget for that year. That specific reimbursement was not paid to the staff member until almost three years after the fact.

High Risk Areas: Gift Card Management

Gift Cards Present an Elevated Risk for Fraud, Waste, and Abuse

Gift cards represent higher-risk expenditures and require stronger controls and documentation since they are cash equivalents.

Findings:

In our testing, we noted:

- Nine bulk purchases of MasterCard gift cards totaling approximately \$36.7K, which were determined to be a part of the Point-in-Time (PIT) program
- Some tracking exists, but beneficiary-level support was not available for the sampled transactions, meaning we were unable to verify who gift cards were ultimately distributed to.

Why it Matters: Gift cards can be easily misappropriated (in any organization) because they represent access to a cash equivalent. Based on the information that was provided, we were unable to trace fully documented trail of ownership over cards from purchase, to distribution to staff, to the ultimate beneficiary. More work would be needed to fully reconcile all gift card activity.

High Risk Areas: Accounting Permissions

Accounting Permission Controls are Weak and Do Not Support Segregation of Duties

Permissions in the accounting system increase the risk of unauthorized or inappropriate activity when duties are not segregated.

Accounting Process	Roles Impacted	Impact	Fraud Risk Concerns
Accounts Payable and Invoicing	CFO, Chief Admin Officer, Accountant, Accounting Manager, AP Clerk	These users can create or edit a vendor or funder invoice, approve the invoice, and submit the invoice for reimbursement	Creation and payment of fraudulent or duplicate invoices, payments to unauthorized or fictitious vendors
Posting Period Control	CFO, Chief Admin Officer, Accountant, Accounting Manager, AR Clerk, AP Clerk	These users can create or modify transactions, and back-date or forward-date those transactions into closed or future periods	Financial information shifted between periods to mask or manipulate financial results, ability to bypass close controls, undermine financial statement accuracy
Journal Entry Creation & Approval	CFO, Chief Admin Officer, Chief Finance Director	These users can create manual journal entries, approve their own entries, and post directly to the general ledger	Unauthorized adjustments to revenue or expense, concealed writeoffs, circumvention of accounting policies, misstatement risk

High Risk Areas: P-Cards

P-Cards Require Strong Authorization, Receipt, and Review Controls

Findings:

- Total P-Card expenditures through July 2025 was \$1.1M
- KCRHA P-Card Policy is still in draft form from 2021 and needs updating
- IRS requires a written accountable plan for P-card programs which was not provided to us
- KCRHA does not consistently follow its own P-Card policy
- Testing showed noncompliance issues in 100% of samples reviewed. These included:
 - No required Purchase Acquisition Form (prior approval)
 - Purchase made by someone other than the cardholder
 - No receipt provided
 - Incorrect approver

Why it Matters: P-Cards represent access to cash and are susceptible to abuse. The findings indicate that controls over P-Card usage need to be strengthened, especially related to pre-approval on purchases, not sharing cards, and providing backup information. Otherwise, inappropriate activity can go undetected.

High Risk Areas: P-Cards

Vendor	Amount
INN AT LAKE WASHINGTON	\$223,143.44
SEATAC CREST MOTOR INN	\$136,393.67
GOOGLE	\$72,625.46
AMAZON	\$69,775.37
CLARION HOTELS	\$55,476.40
MASTERCARD GIFT CARD	\$36,070.15
COMFORT INNS	\$27,575.76
STAPLES	\$27,186.74
BAMBOOHR HRIS	\$26,399.58

- Note on Hotel Purchases
 - These were large programmatic expenses that did not follow normal reimbursement procedures. Hotels were for emergency housing during the Lived Experience Coalition wind-down. The totals represent multiple large purchases over time.
 - In this case, it appears it may have been appropriate to use P-Cards in an initial emergency situation because of fast access to cash.
 - Following the first purchase, a better approach would have been to contract with the hotels, so that proper tracking and reimbursement process would be followed (rather than continuing to rely on P-Cards)
 - No Purchase Acquisition Form provided
 - No documented approval by CEO (dollar threshold requirement)

Negative Cash Drivers



Invoicing & Accounts Receivable Process

The Invoicing & Accounts Receivable Process at KCRHA is the Primary Contributor to Reimbursement Delays

Findings:

- Inaccurate program coding and budget management by KCRHA drives funder invoice rejection, rework and significant delays in submission.
- Timing issues are exacerbated because full visibility into funder approvals, payment timing and reimbursements are delayed until statements are provided, typically up to 2 – 4 weeks after close
- KCRHA accounts for unapproved payments and other unresolved invoice issues in a separate “holding” account until the transactions gets approved. There is no centralized tracking of issues-in-progress by invoice, making visibility into real-time cash availability and resolution status limited
- Legacy (2024 and prior) batch journal entry accounting makes aged receivables and payment application difficult to tie and reconcile. KCRHA has yet to fully reconcile legacy accounts receivable, including at least \$8M that may need to be written off.
- Fund swap issues, complicated by weak communication channels, also create significant delays because the rework process is multi-layered and time intensive process

Why it Matters: Lack of clarity makes it difficult to distinguish between timing issues and funding gaps, meaning that decisions may be made on incomplete information. Fixing these issues will possibly involve training, process restructure and related consulting, and proactive management. Due to the current large workload of staff, it appears that this may need to come from outside support, or from a dedicated staff person(s) with project management expertise.

Administrative Budget Overspend

Administrative Overspend and Budget Management Complicate Cash Flow Issues

Findings:

- As of July 2025, KCRHA carried an administrative cash deficit (overspend) of approximately \$4.26M. Part of that deficit included the accrued interest of \$1.26M, which continues to grow.
- Advanced administrative funds have not been reconciled or tracked consistently against expenditures in a manner that allows for clear visibility into how funds were used or what balances remain
- KCRHA has not consistently followed the required administrative steps outlined in the MSA for requesting advanced funds, including not complying with the formal request process and submission of incomplete and/or nontransparent cash flow forecasts and budgets.
- The Salesforce implementation was initiated without prior approval and wasn't included in the 2024 proposed budget. It was eventually approved as part of an amendment that capped it at \$563K but ended up costing \$2M - \$3M¹ between implementation, consulting, and project manager salary.

Why it Matters: Administrative costs have been significantly higher than budget, which suggests the need for stronger budget controls, planning, and oversight to manage the issue.

¹ The Salesforce implementation includes multiple cost factors, including software purchase, implementation, outside consultants, costs to migrate Flux data, and temporary project manager salary, among others, with no easy way to determine total cost, but estimates performed by CN and verified by the Controller show total cost within this range.

Example of High Administrative Spend

Reliance on Temporary Staff Significantly Contributed to High Administrative Spend

- Overall, KCRHA spent \$2.96M on multiple long-term Robert Half temporary staff through July 31, 2025.
- We were unable to obtain documentation showing the executive strategic decision-making process regarding the use of temporary vs. permanent staff. Typically, we would expect temp staff to provide short-term transitional solutions.
- Example: Temporary staffing for the Interim CFO role cost about \$187K (72%) more than direct payroll when benchmarked for the same period for the same position (and same person)

	Comparison item	Amount
1	Robert Half paid (Nov. 2023–Sept. 2024)	\$448,497
2	Direct-hire starting salary (annual)	\$285,000
3	Direct-hire base salary equivalent for same period	\$261,250
4	Excess cost of temporary staffing	\$187,247
5	Premium vs. same-period direct payroll	72%

Source: Robert Half payments per vendor records; direct-hire benchmark amount assumes same 11-month period for the same individual and role when hired.

Indirect Cost Rate

Indirect Cost (IDC) Methodology Lacks Clarity and Consistency

Findings:

- In the IDC calculation sample we reviewed, we were unable to confidently determine the appropriateness of calculation, and may be under collecting, which would be a contributor to cash issues.
- The IDC process and related Uniform Guidance requirements are complex, and an opportunity exists to strengthen institutional understanding of the IDC cost allocation process and broader Uniform Guidance requirements.
- A formal Uniform Guidance Readiness Assessment and IDC Rate Analysis is highly recommended to verify proper treatment of federal funds, and to ensure the best outcome for indirect cost recovery

Why it Matters: The potential for inappropriate IDC cost allocation, including not having the correct cost pools, raises risk for compliance findings under Uniform Guidance.

Leadership, Staffing, and Oversight



Leadership, Staffing, and Oversight

Leadership

- Multi-month delays in responding to information requests were noted at the initiation of the engagement (August 2025). It took until the end of December 2025 before we had enough information to get started with our work. Information request delays improved significantly in 2026, but the delay resulted in the need for an extension to the contract and increased cost for the engagement.
- We noted that the CEO did not attend or participate in most of the bi-weekly KCRHA Executive Leadership meetings

Staffing

- The most recent Org Chart shows no dedicated CFO position. The CFO holds primary oversight responsibility for the overarching issues noted in this report.
- KCRHA should consider building out the accounting team to include those with expertise in federal grants and potential crossover with programs

Oversight

- KCRHA should consider forming a finance committee that provides oversight over a corrective action plan, public-funds accountability, and an escalation pathway that funders can use to communicate concerns

Recommendations and Next Steps



Recommendations & Next Steps

Foundational Recommendations

- Establish accurate, reliable, and timely financial reporting capabilities through NetSuite
- Identify and resolve of legacy accounting issues.
- Implement a disciplined and standardized full month-end close and reporting package

Stabilization Recommendations

- Stabilize invoicing and reimbursement processes, including a tracking mechanism for unresolved invoice issues
- Proactively manage administrative and programmatic budgets
- Reduce reliance on manual, disconnected processes

Structural and Compliance Recommendations

- Assess readiness under Uniform Guidance and evaluate cost recovery options
- Formally document and standardize administrative cost allocation methodologies
- Establish clear procedures to meet all Interlocal and Master Service Agreement requirements

Recommendations & Next Steps

Control Environment and Risk Management Recommendations

- Perform a COSO based risk assessment and build / implement an internal control framework
- Establish a formal risk management program
- Align practices with Uniform Guidance requirements across funding sources
- Formal review and update of policies and procedures

Cash and Sustainability Recommendations

- Establish a single source of truth for cash, receivables and advanced funds
- Triage Accounts Receivable
- Implement near term cash controls
- Align spending with reimbursement reality, not budget theory
- Assign clear ownership for cash and liquidity risk
- Shift from crisis financing to structural correction

Recommendations & Next Steps

Where internal resources are insufficient, the use of external accounting, advisory, and project management support should be considered. The following are services that may be beneficial to KCRHA, noting that if external resources are required, this could potentially represent a large time and cost investment due to the layered complexities.

- Uniform Guidance Assessment and Assistance with Recommendations:
- Indirect Cost Rate Analysis and Proposal
- Reconstruction of Historical Accounting Records
- COSO Based Risk Assessment and Internal Control Design
- Risk Management Program Consulting
- NetSuite Customization Consulting
- Project Management Consulting:
- CFO Hire (annual)
- Additional Accounting Staff
- Process Audit Consulting

Questions and Discussion



Questions and Discussion



RESOLUTION NO. 2026-04

A RESOLUTION OF THE GOVERNING BOARD OF THE KING COUNTY REGIONAL HOMELESSNESS AUTHORITY ESTABLISHING A FINANCE COMMITTEE

SPONSORS: Jorge L. Barón

WHEREAS, in December 2019, the City of Seattle and King County entered into an Interlocal Agreement establishing the King County Regional Homelessness Authority (“KCRHA” or “Authority”), representing a major shift in the way the region approaches strategic planning, program development, and funding for homeless services in the Seattle-King County region; and

WHEREAS, in November 2024, the City of Seattle and King County amended the Interlocal Agreement to streamline the governance structure at the Authority to improve transparency, coordination, and oversight; and

WHEREAS, Article VIII (“Powers and Authority of the Governing Board”) of the amended Interlocal Agreement provides that it is a responsibility of the Governing Board to provide fiscal oversight, including through an annual review of year-end financial reports, and monitoring of year-to-date financials reports at least quarterly; and

WHEREAS, Article VIII states that the Governing Board may delegate discrete powers and authorities to subcommittees; and

WHEREAS, maintaining consistent and coordinated oversight of financial systems is an integral component of maintaining trust in local government,

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE KING COUNTY REGIONAL HOMELESSNESS AUTHORITY:

Section 1: Creation of Finance Committee and Primary Duties. The Governing Board hereby establishes a Finance Committee to convene and consult with the CEO and/or their delegate for the purpose of providing financial oversight, supporting fiscal health, monitoring internal controls, and making informed recommendations to the Governing Board regarding the Authority’s financial position. The committee shall:

- A) Conduct an annual review of year-end financial reports;
- B) Conduct a quarterly review of year-to-date financial reports;
- C) Monitor the progress and outcomes of any financial audits of the Authority, including those conducted by the Washington State Auditor’s Office;
- D) Periodically report to the full Governing Board on the above; and

E) Undertake other activities that the committee considers necessary to assist the Governing Board in carrying out its fiscal oversight responsibilities.

Section 2: Finance Committee Membership. Each respective Appointing Body shall notify the CEO of the names for that Appointing Body’s selected members by 12 pm on May 1, 2026. For purposes of this Resolution, the Appointing Bodies shall consist of: 1) the King County Executive and King County Councilmembers (King County Appointing Body); 2) the Mayor of the City of Seattle and Seattle City

Councilmembers (Seattle Appointing Body); 3) Members of the Sound Cities Association (Sound Cities Appointing Body); and 4) the three members with Lived Experience as contemplated in the Interlocal Agreement.

Members will be limited to the following representatives.

1. Committee Co-Chair, representing City of Seattle
2. Committee Co-Chair, representing King County
3. Committee member, representing City of Seattle
4. Committee member, representing King County
5. Committee member, representing Sound Cities
6. Committee member, Lived Experience Member

Section 3: Finance Committee Meetings and Powers. The Finance Committee shall meet at least quarterly.

KCRHA shall assign staff to coordinate, support, and advise the KCRHA Finance Committee.

At the request of the City of Seattle or King County Finance Committee members, City or County staff with expertise in financial stewardship may be consulted.

Meetings of the Finance Committee require the participation of a quorum of Committee members listed in Section 2 of this Resolution. For purposes of this Committee, quorum will constitute four of the six appointed members.

Section 4: Effective Date. This resolution shall take effect immediately upon passage.