



KCRHA
King County Regional Homelessness Authority

Forensic Evaluation Update

Committee of the Whole

June 8, 2026

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Background

- KCRHA has received findings from a forensic evaluation conducted by accounting firm Clark Nuber
- The evaluation period was April 2021 through July 2025 (slide 7)
- There were significant weaknesses in our financial systems, internal controls, and reporting practices during that time
- There was no evidence of fraud or misuse of funds
- Incorrect reporting of "missing" funds relates to funds not billed to the city or county by KCRHA



Where Things Stand Now

- KCRHA submitted a Corrective Action Plan (CAP) in response to the forensic evaluation
- The CAP acknowledges serious findings related to financial controls, documentation, reconciliation, budget management, and governance reporting
- We have moved from response into implementation
- Our focus is now stabilizing current operations, reconciling unresolved issues, strengthening controls, and providing clearer reporting to the Board, City, and County
- We are approaching this work with accountability, transparency, and urgency



What We Have Already Started

- Immediate control changes in place for approvals, documentation, access, and review
- Finance leadership and controller-level review have been strengthened
- Using more disciplined monthly close, reconciliation, and reporting practices
- Validating receivables, reimbursement status, administrative costs, and King County Investment Pool (KCIP)/cash-position issues
- Identifying where additional capacity, technical assistance, or external validation may be needed



What Comes Next

Phase 1 (90 days)

- Immediate Stabilization: assign owners, launch dashboard, strengthen controls, and begin priority reconciliations
- Deliverables: initial updates on accounts receivable, KCIP/cash flow, fund advances, admin costs, monthly close, and reporting cadence

Phase 2

- Continue historical reconciliations, maintain monthly close and reporting discipline
- Shift from implementation to sustainability through repeated close cycles, dashboards, and external validation where useful





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Thank You

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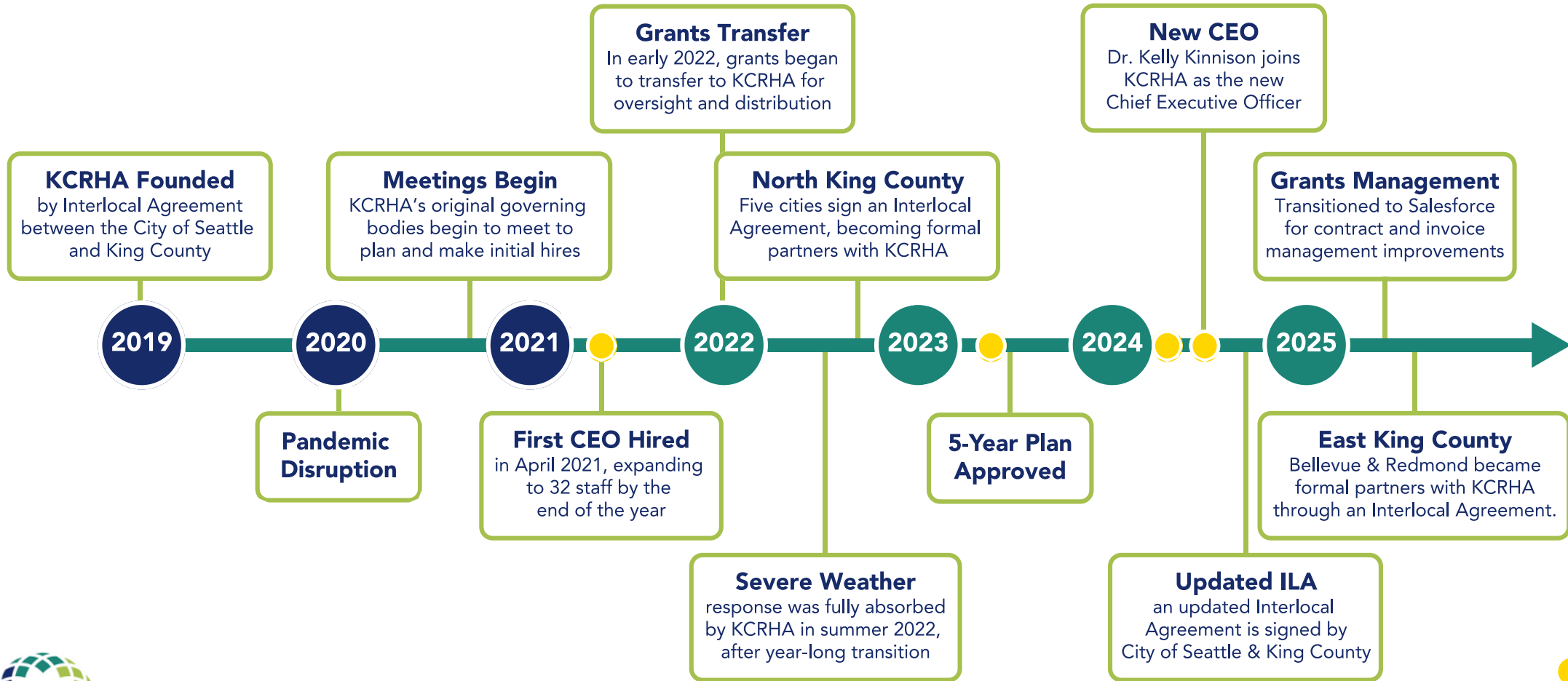
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KCRHA Timeline



● New CEO

