



Dryades YMCA Comprehensive Corrective Action Plan  
September 14, 2022

To Be Addressed	Plan to Address	Date to Be Implemented By	Responsible Parties
<p>Your agency's plan to correct the condition or conditions that led to the disclaimer of opinion, and to ensure that its next reports have an unqualified opinion. Your agency's plan to correct any findings in the report.</p>	<p>The Dryades YMCA board and management believe that the conditions that led to the disclaimer of opinion were directly related to the following:</p> <ul style="list-style-type: none"> <li>• Significant staff attrition of vital positions.</li> <li>• No permanent C-Suite (CEO, COO and CFO) Staff in place.</li> <li>• No written financial policies and procedures in place.</li> <li>• COVID-19 Pandemic.</li> </ul> <p>To correct these conditions, the board conducted a national search and hired a full-time CEO in March of 2022. Shortly thereafter, the CEO hired a full-time COO. As of September 2022, management has procured the services a full-time out-sourced CFO/Accounting firm to manage the day-to-day finances of the agency and to ensure financial policies and procedures are adhered to.</p>	<p>Completed as of September 14, 2022.</p>	<ul style="list-style-type: none"> <li>• Board of Directors (Thomas Watson and Edward Shanklin)</li> <li>• CEO (Delwin Davis)</li> </ul>
<p>Your agency's plan to correct any findings in the report.</p>	<p><b>Finding #1:</b> The Organization did not have adequate policies and procedures in place to prepare accurate and complete financial statements on a timely basis.</p> <p><b>Finding #1 Planned Corrective Action:</b> To address this finding, the board conducted a national search and hired a full-time CEO in March of 2022. Shortly thereafter, the CEO hired a full-time COO. As of September 2022, management has procured the services</p>	<p>Completed as of September 14, 2022.</p>	<ul style="list-style-type: none"> <li>• Board of Directors (Thomas Watson and Edward Shanklin)</li> <li>• CEO (Delwin Davis)</li> <li>• COO (Jermaine Bridges)</li> <li>• Out-sourced CFO (James Fulton)</li> </ul>

	<p>a full-time out-sourced CFO/Accounting firm to manage the day-to-day finances of the agency and to ensure financial policies and procedures are adhered to.</p> <p>In partnership with the board chair and board treasurer, the new C-Suite (CEO, COO and CFO) has already developed and implemented new and adequate financial policies and procedures to ensure the agency can prepare accurate and complete financial statements on a timely basis. Financial statements (income statement with budget to actuals comparison, balance sheet and income statement) will be:</p> <ol style="list-style-type: none"> <li>(1) Prepared monthly by management,</li> <li>(2) Submitted to the finance committee for review and feedback (prior to the monthly board meeting, and</li> <li>(3) Presented to the full board for review and approval at the monthly meeting of the board of directors.</li> </ol> <p>In addition to hiring a talented and experienced C-suite/management team, the board has procured the services a certified public accountant (Donald Ford, CPA) to monitor the progress and implementation of the corrective action measures.</p> <p><b><u>Finding #2:</u></b>  In a test of cash disbursements, Organization was unable to locate supporting documentation for a significant number of transactions. This resulted in the auditors' inability to perform sufficient audit procedures to establish that the financial statements presented are free of material misstatement.</p> <p>Management indicated that the relevant staff that was charged with the care of such documentation was no longer in the employ of the Organization and that management was unable to retrieve the said documents for testing purposes.</p>		
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Auditor was unable to verify the completeness, or the accuracy of the transaction balances as presented by the auditee and accordingly, we were unable to render an opinion on the financial statements taken for the year then ended December 31, 2020.

**Finding #2 Planned Corrective Action:**

To address this finding, the C-Suite (with oversight from the board of directors) will:

- (1) Provide ongoing training to all staff involved in the financial reporting process. This training will include familiarization staff with all Board-approved financial policies/procedures and the required adherence. Additionally, the C-Suite will enhance the level of oversight to ensure this finding is not reoccurring.
- (2) Provide an effective framework to reduce loss of data as a result of staff attrition, turnover or related circumstances.
- (3) Provide an enhanced policy and procedural model to ensure that its internal controls relating to source documentation retainage and safekeeping are maintained. A measurable qualitative review of such procedures will be in effect and subjected to periodic changes as the needs arise.
- (4) Work with the Board of Directors to design an effective and efficient protocol to retain retrieve timely, critical audit support in order to for effective conduct of audit fieldwork and reporting.
- (5) Identify best practices available, as well as relevant resources that is commensurate to the discharge of critical supervision.

**Finding #3:**

DYMCA continues to experience operating losses resulting from the decline in its level of program funding. For the three (3) years ended December 31, 2019, operating losses were \$900,829 (2019), \$295,241 (2018) and \$1,292,226 (2017).

**Finding #3 Planned Corrective Action:**

To address this finding, the C-Suite (with oversight from the board of directors) will:

- (1) Develop a formal plan budgetary plan that includes both short and long-term spending to ensure the agency can operate within available funding levels.
- (2) Implement strong purchasing procedures to ensure that (1) more than one individual is involved in the process (e.g., receiving, recording, reviewing, approving and paying; (2) documentation to support all bills and payments is complete, maintained intact, and properly secured; and (3) all bills are paid timely, including the amounts withheld/deducted from employee paychecks.
- (3) Re-evaluate and implement cost containment measures aimed at reversing
- (4) Explore avenues for revenue enhancement including significantly more fund development and fundraising activities.

**Finding #4:**

DYMCA did not meet the deadline, which extensions for reporting to the Legislative Auditor.

**Finding #4 Planned Corrective Action:**

DYMCA experienced a series of staff attrition and related issues as a result of the COVID-19 pandemic. This was also in addition to the resignation of key staff that was previously charged with financial reporting. The culmination of these two setbacks resulted in protracted delays in the audit process.

To address this finding, the board of directors and management retained an experienced and qualified full-time out-sourced CFO/Accounting firm to manage the day-to-day finances. In partnership with the CEO and the board's finance committee, the out-sourced CFO/Accounting firm will ensure that all future audit deadlines are met timely.

**Finding #5: (Prior-Year Finding Unresolved)**

Fifty (50) cash disbursement transactions tested for internal control attributes, revealed the following conditions...

**Finding #5 Planned Corrective Action:**

To address this finding, the C-Suite (with oversight from the board of directors) will:

- (1) Implement new financial policies and procedures.
- (2) Revisit the agency's record filing and retention procedures to ensure adherence by all personnel.
- (3) Hire an experienced out-sourced CFO/Accounting firm to provide daily oversight of all financial functions.
- (4) Procure the services a certified public accountant (Donald Ford, CPA) to monitor the progress and implementation of the corrective action measures.

**Finding #6: (Prior-Year Finding Unresolved)**

Our review of DYMCA's monthly financial statements reporting processing procedures, to include selected transactions and general ledger accounts revealed the following conditions...

**Finding #6 Planned Corrective Action:**

To address this finding, the C-Suite (with oversight from the board of directors) will:

- (1) Implement new financial policies and procedures.
- (2) Revisit the agency's monthly financial statement reporting processes to ensure adherence to established board policy.
- (3) Hire an experienced out-sourced CFO/Accounting firm to provide daily oversight of all financial functions.
- (4) Procure the services a certified public accountant (Donald Ford, CPA) to monitor the progress and implementation of the corrective action measures.

**Finding #7: (Prior-Year Finding Unresolved)**

During the course of the audit, management proposed several audit adjustments to fairly state the financial statements as of and for the year ended December 31, 2019.

	<p>It is our understanding through discussion with management that a transition to a new Chief Financial Officer (who later resigned) in late May 2019 through the early part of 2020, created challenges resulting in the referenced condition.</p> <p><b>Finding #7 Planned Corrective Action:</b> To address this finding, the C-Suite (with oversight from the board of directors) will:</p> <ol style="list-style-type: none"> <li>(1) Implement new financial policies and procedures.</li> <li>(2) Revisit the agency’s level of oversight afforded in the financial reporting processes to ensure its completeness in executed transactions.</li> <li>(3) Hire an experienced out-sourced CFO/Accounting firm to provide daily oversight of all financial functions.</li> <li>(4) Procure the services a certified public accountant (Donald Ford, CPA) to monitor the progress and implementation of the corrective action measures.</li> </ol>		
<p>A statement as to when your audit report for fiscal year end December 31, 2021 will be submitted to our office.</p>	<p>Management, the board of directors and the third-party CPA firm providing oversight of corrective measures project that the 12/31/2021 audit report will be submitted within 60 to 90 days of this communication.</p>	<p>12/15/2022</p>	<ul style="list-style-type: none"> <li>• Board of Directors (Thomas Watson and Edward Shanklin)</li> <li>• CEO (Delwin Davis)</li> <li>• COO (Jermaine Bridges)</li> <li>• Out-sourced CFO (James Fulton)</li> </ul>
<p>You must also retain the services of a CPA firm to monitor your progress and provide periodic reports to the Legislative</p>	<p>The board of directors has retained the services of the following third-party CPA firm to monitor the progress of the corrective action plan and to provide periodic reports to the Legislative Auditor:</p>	<p>9/14/2022</p>	<ul style="list-style-type: none"> <li>• Board of Directors (Thomas Watson and Edward Shanklin)</li> </ul>

<p>Auditor. Your corrective action plan must include the name of the firm you will hire, which must be listed on the Approved CPAs list found on our website, <a href="http://lla.la.gov">lla.la.gov</a>, under Resources - Local Government Reporting.</p>	<p><b>Donald Ford, CPA</b> <b>412 North Fourth Street, Suite 220</b> <b>Baton Rouge, LA 70802</b> <b>Phone number: (225) 800-8668</b> <b>Email: <a href="mailto:donald@donaldfordcpa.com">donald@donaldfordcpa.com</a></b></p>		
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