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Fire Safe Council of Nevada County's Response to Grand Jury Findings

The FSC is a private non-profit organization, and not a county department or agency, and therefore, it is the position that FSC is not subject to oversight by the Grand Jury. The FSC receives some funding support from Nevada County; it constitutes an important, yet minimal part of the FSC revenue. In an effort to be cooperative and transparent to the County and the citizens of Nevada County, the FSC provides the following responses:

F1 Although the Jury issued five (5) document requests during April, May, and again in June to the Executive Director and a member of the Board, as of June 22, 2022, we have received none of the requested documents.

Disagree. The documents to which the Grand Jury is entitled are available to the public as part of board packets.

F2 The Jury found that financial reporting on multiple levels, monthly Board operational reports and financial statements, and Form 990 filings were incomplete or in arrears.

Partially Disagree. The annual external audits provided some guidance on some minor process issues, but no significant audit findings of irregularities were issued. Auditor findings have been corrected going forward. Publicly available 990 filings have never been in arrears.

F3 The FSC's revenues, including grant funding, are not segregated under fund accounting rules.

Disagree to the extent the Grand Jury considers the practices improper. Grant funding is used appropriately and within the grant guidelines. Annual external audits have not recommended that funding be kept separately.

F4 The FSC lacks operational and financial transparency.

Disagree. The FSC conducts public meetings and is transparent, more so than required by law, with regard to the financial and operational conduct of the FSC. Financial statements and reports are provided to the FSC Board of Directors each month and available to the public on the FSC website (www.areyoufiresafe.com).

F5 The FSC lacks segregation of duties, roles, and responsibilities for internal controls.

Disagree. Internal Controls, including duties, roles, responsibilities are in place and are available for review in board documents. The FSC has had some turnover, but the FSC continues to carry out its obligations and responsibilities with the oversight of the FSC Board and management staff. The FSC employs competent staff which is supervised and monitored by management and the Board. The FSC undergoes routine audits and has cooperated with the County's request for audits and reviews.

F6 The FSC Board has not developed a strategic plan to address the full magnitude of issues.

Disagree. The FSC is committed to ensuring that best accounting practices are employed, and that staff are adequately trained and supervised to ensure their and the FSC's success in the provision of their services to the region. The FSC has effectively addressed issues and continues to evaluate the future needs and operations.

F7 The FSC Board is not ensuring applicable laws and regulations are adhered to.

Disagree. FSC has cooperated in reviews and audits sought by the County and the FSC, and has taken corrective action to address any deficiencies identified in that process. FSC continues to self-assess and participate in audit processes to ensure applicable laws and regulations are complied with.

Recommendations

R2 The Jury recommends FSC management provide timely monthly operational reports and financial statements to the FSC Board.

This is already occurring. Please see available documentation at www.areyoufiresafe.com.

R3 The Jury recommends the FSC Board provide requested documents to the Grand Jury.

The FSC provided all relevant and unprivileged documents to the Grand Jury.

R4 The Jury recommends the FSC management provide requested documents to the Grand Jury.

Pertinent documents were and are available to the Grand Jury. Other documents sought were not within the purview of Grand Jury jurisdiction.

R5 The Jury requests the FSC Board implement fund accounting for grant revenues.

The FSC already engages in this practice. The FSC complies with grantor requirements and tracks said grant projects separately within the accounting system to maintain accurate financial records and to stay within budgetary restrictions.

R6 The Jury requests the FSC Board improve its level of transparency for the benefit of the community.

The FSC is already transparent and will continue to be transparent.

- R7 The Jury requests the FSC Board complete the development and implementation of roles and responsibilities as stated in the March 2022 Executive Finance Committee meeting minutes, with attention to segregation of duties and best practices.

The FSC already engages in these practices. Staff levels are limited in organizations such as this. Best efforts are made, and will continue to be made, to ensure operations proceed efficiently and lawfully.

- R8 The Jury requests the FSC Board develop and implement a five-year strategic plan for the growth of the organization.

The FSC implemented a 5-year strategic plan in 2018 and intends to revisit it at the board workshop in January 2023. The board conducts workshops each year, and focuses on the strategic plan and other governance and developmental phases of the organization.