

logo not found or type unknown

Audit Delays Frustrate Matching Fund Special Purpose Board as BDO Falls Behind

Business / **Published On August 31, 2023 05:53 AM /**

Janeke Simon **August 31, 2023**

Image not found or type unknown



Auditing firm BDO.

Delays from auditors in completing their examination of the Matching Fund Special Purpose Securitization Corporation's (MFSPSC) financial activities are causing frustration for corporation board members.

During a short meeting on Wednesday, Director of Finance Nathan Simmons disclosed that BDO is more than two months behind on the June 30th deadline for completing the audit of the MFSPSC's 2022 financials. "We selected BDO to do the '22 audit for the corporation, primarily because they were already involved with doing the PFA's audits as well as the audits for our subsidiary corporations, viNGN and WICO," Mr. Simmonds said.

Having begun in December, BDO reportedly assured MFSPSC that they would be able to complete the audit by the stipulated deadline. "However they have continuously been giving us extensions in terms of when it will be completed," Mr. Simmons disclosed, with September 30th the latest deadline provided by BDO. "It's been very frustrating actually trying to get the auditors to complete this audit," he told board members.

Board member Sheila Robinson inquired whether there was any way to move the completion date forward from the end of September. "We have bondholders that we have to supply information to," she reminded. Mr. Simmons responded that the auditors are well aware of the MFSPSC's fiduciary obligations, however he has "not been able to nudge them to complete...as expected."

Governor Albert Bryan, chair of the MFSPSC board, mused that the delay could be because the auditors are overwhelmed by the volume of work they have to complete not just for MFSC, but for the other entities which have pending audits. "Whether they are providing sufficient resources or what the problem is, I don't know, but...that's a struggle," Mr. Simmons noted. Another board member clarified that the company uses the same pool of workers to complete audits for several government entities and semi-autonomous agencies, which may be the reason for the bottleneck.

The board discussed issuing a request for proposals (RFP) to hopefully catch the interest of alternative firms to provide future services, but Mr. Simmons noted that BDO was the only company to respond to the last open RFP that went out. "Hopefully we will get more interest now. We'll see how that works out."

Governor Bryan urged Mr. Simmons to try again. "I don't want to get delinquent here too," he said, referring to the MFSPSC's timely audits. "That don't make any sense."

During further discussion, board members were informed that covenants attached to the MFSPSC's bonds require the use of a "Big 10" auditing firm, so Governor Bryan's query about sparking interest among local firms would not be feasible here. Ultimately, it was decided that direct invitations to participate in the next RFP will be sent to desired firms when it comes time to solicit services for the next audit.

Prior to the audit discussion, board members had unanimously approved the entity's operating budget of \$760,000 for fiscal year 2024, which included \$583,000 in regular operating expenses and over \$175,000 with which to reimburse the Public Finance Authority, which covered some of MFSPSC's excess expenses in the current financial year.