Fleetwood Estate Home Owner's Association
Report Summary
FINANCIAL INVESTIGATION RELATING TO THE ALLEGATIONS OF FRAUD AND MISMANAGEMENT OF FUNDS

August 2020

The following is a condensed summary of key findings and conclusions, taken from a final report submitted to the Board by Carole Podetti and Michele Wilson (the Investigators). The full confidential report and Chairman's response is available to Members of the Association upon request. Requests should be addressed to directors@fleetwoodestate.co.za

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The investigation included approximately 38 hours of work undertaken by the investigations during which they reviewed emails provided by various persons, Board Minutes, Financial Records at Angor. The investigator interviewed a number of current and former board members and members of the HOA.

The investigators also attempted to benchmark existing suppliers against alternative suppliers.

There was some disagreement over the need to review original physical documents as opposed to scanned and electronic versions thereof, but besides this the investigators exercised their own discretion on documents to review and people to interview.

Report Observations.

The investigations made a number of observations in the final report related to governance and recordkeeping:

- Contract renewals
- Accruals in financial accounts
- Auditors
- Minutes of meetings
- Payment approvals – signatures on documents
- Cost effectiveness of some current suppliers.

Concerns were raised in relation to:

- Management Fee increases
- Quotes and invoice approval process
- Minutes of Meetings not being clearly reflective of decisions made

Recommendations

10 recommendations were made in the report, relating to.

- Define procedures and policy around the number of quotes required in which circumstances and the use of "pre-approved suppliers"
- Expenditure in the absence of AGM approval (Budget)
- Director Expense Reimbursements
- Physical signatures on invoices prior to payment by Angor
- Expenditure reporting: prior year expenditure not accrued for
- Minutes of the Board Meetings need improvement
- Restriction on residents or owners being service providers to the HOA
- Contract management
- Request a new auditor to be appointed by December 2020
- Review of the Board Charter

Conclusion

The investigators concluded that there was no evidence found of fraud or corrupt practices in the management of the HOA.