



Audit Committee Meeting
January 24, 2019 @ 3:00pm
1st Floor – LaFayette Room
433 Hay Street, Fayetteville, NC 28301

AGENDA

1. Call to Order
 2. Approval of Agenda
 3. Approval of Meeting Minutes
 4. Internal Audit Activities (*Presented by Elizabeth Somerindyke, Internal Audit Director*):
 - a. Performance Measures Audit (A2018-04)
 - b. Parks, Recreation and Maintenance Nonresident Fees Implementation Audit (A2016-05)
 5. Quarterly Management Implementation Status Report
 6. Adjournment
-

Attachments:

- a) Meeting Minutes – December 6, 2018
- b) Performance Measures Audit Report A2018-04
- c) Parks, Recreation and Maintenance Nonresident Fees Implementation Audit Report A2016-05
- d) Quarterly Management Implementation Status Report 2nd Quarter FYE19

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**AUDIT SUBCOMMITTEE QUARTERLY MEETING MINUTES
SAINT AVOLD CONFERENCE ROOM, 3RD FLOOR
CITY HALL, 433 HAY STREET, FAYETTEVILLE
THURSDAY, DECEMBER 6, 2018
6:00 P.M.**

Committee Members Present: Council Member Crisp
Council Member Dawkins (via telephone)
Darsweil Rogers, PWC Chairman
Council Member Larry Wright

Committee Members Absent: Dr. Pamela Jackson

Others Present: Robby Bittner, Senior Account Manager , RSM
Linda Murphy, Assurance Manager, RSM

Staff Present: Douglas J. Hewett, City Manager
Karen McDonald, City Attorney
Telly Whitfield, Assistant City Manager
Elizabeth Somerindyke, Internal Audit Director
Jay Toland, Interim Chief Financial Officer
Ray Oxendine, Treasurer
Brenda Powell, Financial Reporting Manager
Jodi Picarella, Accounting Manager
Kim Toon, Purchasing Manager
Jennifer Ayre, Deputy City Clerk

1. Call to Order

Mr. Darsweil Rogers called the meeting to order at 6:04 p.m.

2. Approval of the Agenda

MOTION: Council Member Crisp moved to approve the agenda.

SECOND: Council Member Wright

VOTE: UNANIMOUS (4-0)

**3. Approval of the Minutes
October 25, 2018**

MOTION: Council Member Crisp moved to approve the minutes from the October 25, 2018 meeting.

SECOND: Council Member Wright

VOTE: UNANIMOUS (4-0)

2. City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2018

Mr. Jay Toland, Interim Chief Financial Officer introduced Mr. Robby Bittner the Senior Account Manager and Ms. Linda Murphy the Assurance Manager from the outside auditing firm, RSM.

Mr. Robby Bittner, RSM Senior Account Manager, presented a PowerPoint presentation explaining the City's Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2018. Mr. Bittner stated a statistical section of the CAFR is not presented due to RSM not providing any assurance of the statistical section. There are four types of Compliance requirements opinions RSM can provide: Adverse, Disclaim, Qualified, Unmodified. The City received an Unmodified opinion across the board.

Council Member Crisp asked if best practices and deficiencies are presented in the report. Mr. Bittner stated the material deficiencies are not required to be in the "yellow book", but no items met control deficiencies. The best practices are communicated to staff throughout the audit itself instead of being presented in the final report.

Council Member Wright requested what the reason was for the jump in expenditures for public safety from 2015 to 2016. Mr. Hewett stated he would verify the reason why and report back.

Mr. Bittner stated RSM audits under three different standards: Generally Accepted Auditing Standards, Government Auditing Standards which is set forth by the Government Accounting office, and Uniform Guidance that covers federal grants and State Uniform Guidance that covers state grants.

RSM audited three major Federal Programs and three State Programs:

- Federal
 - Home Investment Partnerships Program – CFDA #14.239
 - Airport Improvement Program – CFDA #20.106
 - Federal Transit Cluster – CFDA #20.507
- State
 - Non-state System Street Aid Allocating (Powell Bill)
 - State Maintenance Assistance Program (SMAP)
 - Golden Leaf Foundation Grants

RSM found one material weakness and two significant deficiencies between the City and PWC:

- Material: 2018-001 (PWC), Work order module integration that is repeat finding from a previous year. The auditing firm has been contacted by PWC stating they have a fix for the issue and have requested RSM to review the process again in January.
- Significant: 2018-002 (PWC), IT functionality and the reporting they are able to get from their system
- Significant: 2018-003 (City), Other Post-Employment Benefits Census Information. This became a significant deficiency due to the issue being found throughout multiple funds. The necessary reviews to address the deficiency have already begun by the finance department. The deficiency does not affect the operational activities of the City just on the presentation of the total liability assets.

Mr. Bittner also presented the Auditor's Required Communication – SAS 114. He stated no significant or unusual transactions were noticed. There were no audit adjustments requested by the auditor and no disagreements with management.

Mr. Bittner expressed his thanks to City staff for all of their efforts to ensure the audit went smoothly.

Council Member Wright commended Doug and staff on their work they put in which led to the high audit rating. Mr. Hewett, recognized staff members present for all of their assistance.

MOTION: Council Member Wright moved to approve the City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2018 and forwarded to City Council.

SECOND: Council Member Dawkins

VOTE: UNANIMOUS (4-0)

11. Adjournment

There being no further business, the meeting adjourned at 6:55 p.m.

Respectfully submitted,

JENNIFER L. AYRE
Deputy Clerk
120618

DARSWEIL ROGERS
Chairman

DRAFT

Office of Internal Audit



Compliance Audit 2018-04 Performance Measures

January 2019

Director of Internal Audit
Elizabeth Somerindyke

Senior Internal Auditor
Rose Rasmussen

Internal Auditor
Abby Cerniglia



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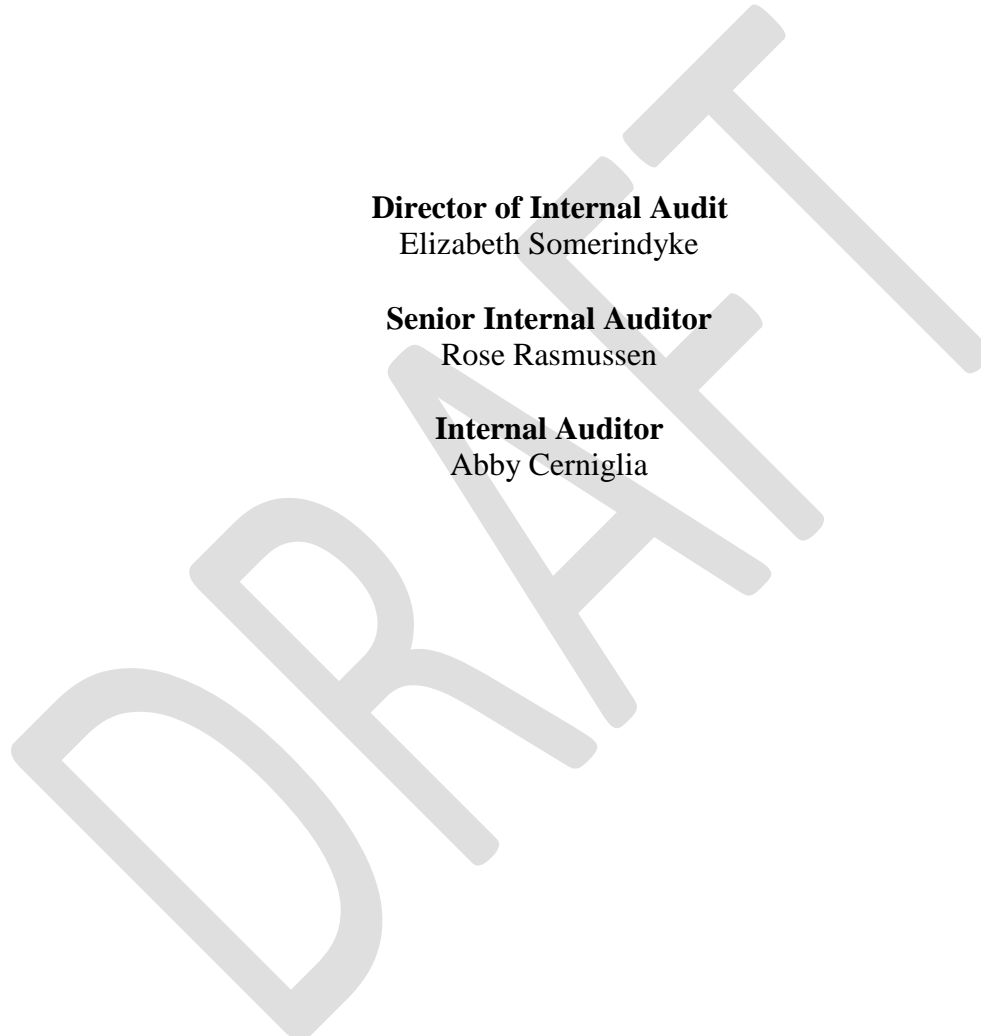


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<http://fayettevillenc.gov/government/city-departments/internal-audit>

Mailing Address: 433 Hay Street, Fayetteville, NC 28301

EXECUTIVE SUMMARY

The *Policy # 600 City of Fayetteville Standard Policy Document Data Governance* was revised effective March 7, 2017 to include a data governance audit to validate the underlying data reported for goals in the City-wide Strategic Plan performance measures. Therefore, this audit was included in the Fiscal Year 2017-2018 Audit Plan. The Office of Internal Audit assessed the reliability, relevancy and accuracy of performance measures reported in the fiscal year 2018 annual budget document; and to determine if adequate controls were in place for the measures being tested.

Performance management in the public sector is an ongoing, systematic approach to improving results through evidence-based decision making, continuous organizational learning, and a focus on accountability for performance; therefore, it is essential that performance data is reliable, relevant and accurate.

Overall it was determined that departments should refine performance measures to ensure the information reported is relevant to the decision makers and/or stakeholders; provides a clear picture of the actual work performed; and is tracked and reported in a way that will provide accurate and reliable information. In addition, the following observations were noted:

1. The performance measures did not appear to address how the Department was achieving the associated objective.
2. The performance measures could be defined to provide improved clarity for the reader.
3. The performance measures data could not be validated.

BACKGROUND

The City's strategic planning model is intended to:

- Align programs and spending with long-term goals; and
- Provide transparency and accountability for results.

Strategic planning involves developing, maintaining, and adhering to a City vision, mission, and strategic goals to help the City determine where it wants to go in order to achieve the greatest success. City Council meets annually to refine the City's strategic plan to ensure it is reflective of the changing needs of the growing community. The strategic planning process involves input from City Council, employees and citizens. All City departments should be integrating the plan into annual budgets, daily operations and performance measurements in an effort to effectively and efficiently direct financial resources.

The Goals established by City Council and reported in the fiscal year 2018 budget document were:

- Safe & Secure Community
- Diverse & Viable Economy
- High Quality Built Environment
- Desirable Place to Live, Work and Recreate
- Sustainable Organizational Capacity
- Citizen Engagement & Partnerships

Objectives and performance measures are developed as a roadmap for the City to accomplish the goals. Performance monitoring allows the City to understand whether it is properly aligned with the goals established in strategic planning and determine if those goals are being achieved. The City strives to achieve continuous performance improvement through constant cycles of data gathering, performance monitoring and reporting.

In order to assist in achieving the goals of the strategic plan, the City implemented TRACStat, a performance management system dashboard. The dashboard allows citizens to view progress on performance measures and initiatives as well as to identify positive and negative trends. With this data, the City can develop strategies for improving outcomes in the areas identified as goals.

AUDIT OBJECTIVES

The objectives of this audit were to assess the reliability, relevancy and accuracy of performance measures reported in the fiscal year 2018 annual budget document; and to determine if adequate controls were in place for the measures being tested.

AUDIT SCOPE

The audit scope covered three judgmentally selected performance measures reported in the annual budget document titled *FY 2018 Annual Budget Adopted*. The performance measures were selected based on City Council's interest in two areas: right-of-way maintenance and street resurfacing. Since the data for the selected performance measures was not created or calculated using City managed Information Technology Systems, there was no review conducted over controls within any Information Technology systems.

AUDIT METHODOLOGY

In order to accomplish the objectives of the audit, the Office of Internal Audit performed the following:

- Obtained and reviewed City goals, objectives and performance measures reported in the fiscal year 2018 annual budget document;
- Interviewed Department personnel involved in calculating, reporting and maintaining the performance measures information;
- Tested the performance measure data provided by the Department.

FINDINGS, RECOMMENDATIONS, AND MANAGEMENT'S RESPONSES

Finding 1

The performance measures did not appear to address how the Department was achieving the associated objective.

A performance measure should provide a sufficient description and actual results of the work completed; and indicate whether the Department is achieving its objectives and making progress toward organizational goals. Measurable goals help decision makers to recognize success, identify problem areas, evaluate cost effectiveness and respond with appropriate actions.

Based on Internal Audit inquiry, the Parks, Recreation and Maintenance (PRM) Department reported the number of right-of-way miles maintained and the number of right-of-way visits required based on an agreement with the North Carolina Department of Transportation (NCDOT) instead of reporting the actual number of right-of-way miles maintained and actual number of right-of-way visits.

The associated objective for the measures was: "To provide efficient maintenance to rights-of-way at Level 3 standard. Level 3 represents a moderately low-level maintenance associated with locations generally away from the public eye, having limited resident visitation, considered as natural areas or limited from higher level maintenance standards due to budget restrictions."

However, it is unclear how only reporting the minimum requirements based on an agreement tells how the PRM Department was providing “efficient maintenance”. In addition, the objective referred to a Level three standard, but the agreement with NCDOT only required mowing which is required for each level of maintenance. Furthermore, based on Internal Audit inquiry, PRM personnel indicated some right-of-ways were maintained at a level higher than three for maintenance based on the right-of-way visibility.

Since performance measures are used to determine if the associated objective is being met, it is unclear how this will happen if the performance measure does not directly address the objective. In addition, if the performance measure does not provide accurate information about all the work that was performed, the decision makers may not have all the pertinent information to make an informed decision.

Recommendation

Management should review and update all Departmental performance measures to ensure:

1. The performance measures address how the Department is meeting the associated objectives; and
2. The Department adequately and accurately tracks and reports the actual work being performed by personnel for the performance measures.

Management’s Response:

Parks, Recreation and Maintenance (PRM):

Recommendation 1.1 – We Concur. Management is in full agreement with the recommendation.

PRM staff reviewed and analyzed existing performance measures. Measures not currently meeting the associated objectives of the department were either adjusted or removed. Proposed measures were submitted to the office of Strategic Performance Analytics on September 11, 2018 for review. PRM staff intend to utilize proposed measures for all FY19 reporting.

Responsible Party: Management Analyst

Implementation Date: September 11, 2018

Recommendation 1.2 - We Concur. Management is in full agreement with the recommendation.

Management has met with staff and will work to ensure the actual work being performed by personnel for the performance measures is adequately and accurately captured for FY19.

Responsible Party: Management Analyst

Implementation Date: August 29, 2018

Finding 2

The performance measures could be defined to provide improved clarity for the reader.

The performance measures should clearly state how the departments were achieving the associated objective and provide all the necessary and relevant information in order to be used for informed management/budget decisions.

Clarification to performance measures reviewed would provide governance and management with a clearer picture of the work that was being measured.

- PRM Department performance measure indicated, *# of miles of right-of-way curb maintained*, but the information used from the NCDOT agreement:

- Referred to “shoulder miles”, and
- Only required the right-of-ways to be “mowed”.
- PRM Department performance measure indicated, *# of right-of-way visits*:
 - However, the NCDOT agreement required all right-of-ways referred to in the agreement to be “mowed” four cycles per year as “routine mowing” and two cycles per year as “clean-up mowing”¹; and
 - The budget document listed 24 right-of-way visits which could be interpreted that maintenance was performed on the 873.00 miles 24 times a year. However, based on the NCDOT agreement each right-of-way was only required to be “mowed” six cycles a year.
- Public Services Department performance measure indicated, *# of miles resurfaced*, the measure did not indicate that:
 - “Streets” were being resurfaced; and
 - The number of miles was “center line” miles.

If the performance measure is not clearly defined, the decision makers may not have all the pertinent information to make informed decisions, and the average user may not be able to effectively evaluate performance from the information presented.

Recommendation

Management should review and update all departmental performance measures to ensure the performance measures are defined so the average user can effectively evaluate the information.

Management’s Response:

Parks, Recreation and Maintenance (PRM):

We Concur. Management is in full agreement with the recommendation.

Management has met with the Strategic Performance Analytics staff to determine a better process of reporting performance measures. Staff will update performance measures to effectively tell the story of the work being performed in PRM. Staff will work closely with Strategic Performance Analytics to ensure we are communicating information that can be easily processed and understood by the average user.

Responsible Party: Management Analyst

Implementation Date: September 11, 2018

Public Services:

We concur. Management is in full agreement with the recommendation.

Public services will review all performance measures within each division for full implementation beginning FY 20.

¹ The following are definitions from Exhibit “A” of the 2008 Mowing Agreement with NCDOT:

- Routine mowing: “Generally, the area to be mowed is from the travelway to the shoulder point and one “swath” beyond in fill sections and from the travelway to the ditch line and one “swath” beyond in cuts sections. A “swath” is the width of cut for the mower being used and shall be a minimum of 5 feet. Routine mowing also includes the mowing of sight distance areas at intersections, interchanges, along curves, and sight distance at signs on freeways. On divided highways, mowing in the median shall be performed in accordance with established mowing patterns.”
- Clean-up mowing: “Mowing within the right of way which includes the area established for “routine” mowing extends beyond these limits generally to the right of way line or to established mowing patterns. The areas included are shown on the typical mowing patterns included elsewhere in this proposal. Clean-up mowing includes the mowing sight distance areas at intersections, interchanges, and along curve. On divided highways, mowing in the median shall be performed in accordance with established mowing patterns.”

Responsible Party: Each division manager will be responsible for implementation.

Implementation Date: July 1, 2019

Finding 3

The performance measures data could not be validated.

The performance measures data reported in the budget document needs to be accurate in order to be used for informed management/budget decisions.

However, Internal Audit could not validate the number reported for the *# of miles resurfaced*. The original number provided by the Public Services Department in the fiscal year 2018 budget document for the fiscal year 2016 actuals was 15.32. However, based on Internal Audit request, the Department indicated the fiscal year 2016 actuals were 16.62. The Department provided a document created and maintained in EXCEL by the Department totaling 16.62. Documentation was not provided and could not be recreated reflecting how the original number of 15.32 was calculated.

Based on Internal Audit inquiry, the Department indicated the reason the fiscal year 2016 actual number changed from 15.32 to 16.62 was due to the timing of when the number was needed to report in the budget document and when the work was actually completed for the fiscal year 2016 Phase II street resurfacing contract. The Department indicated the 15.32 was the actual number of miles resurfaced at the time the number was due for the budget document.

If the performance measure data is not accurate, then decision makers could be ineffectively allocating resources.

Recommendation

Management should review and update all departmental performance measures to ensure the performance measures provide the reader with all the necessary information to make informed decisions.

Management's Response:

Public Services:

We concur with reservations. Management is in agreement with the recommendation, but there are circumstances that could affect its implementation which have to be resolved.

Actual performance measures are requested to be finalized in July for the previous FY ending June 30th. Some performance measures such as those linked to cost are subject to minor changes for example when invoices are posted late by the vendor. It is requested that there is a process for allowing updates to the performance measures based on receipts of delayed data.

Responsible Party: Each division manager will be responsible for implementation.

Implementation Date: December 1, 2018

CONCLUSION

The City is on the right track to utilize performance measures to allocate resources where they are needed; however, there are several areas that must be addressed if performance management is going to have the intended impact:

- Measures should be selected and designed that tell decision makers about the performance that relates to the objectives management is trying to achieve. Therefore, current measures should be examined to determine if they can be used for evaluating the effectiveness of programs and activities and ultimately achieving the objectives that decision maker's value (relevance).
- Ensure the actual work performed can be collected and accurately reported so that trends can be observed in order to make knowledgeable management/budget decisions (validity).
- Decide if the data will always be collected in the same manner to ensure the data used for measures is accurately documented and easily recreated (consistency).
- Ensure the measures are clearly defined so decision makers are able to interpret the results to make informed decisions (clarity).

Without addressing and resolving these observations, the City's performance measurements may not be interpreted as intended, whereas, the decision makers need to understand the story the performance data illustrates and ultimately be able to effectively allocate the necessary resources for those areas the decision maker's value.

Although the management responses are included in the report, Internal Audit does not take responsibility for the sufficiency of these responses or the effective implementation of any corrective actions.

Internal Audit would like to thank department personnel for their assistance and numerous courtesies extended during the completion of this audit.

Signature on File

Elizabeth H. Somerindyke
Director of Internal Audit

Signature on File

Rose Rasmussen
Senior Internal Auditor

Distribution:

Audit Committee
Douglas J. Hewett, City Manager
Kristoff Bauer, Deputy City Manager
Michael Gibson, Parks, Recreation & Maintenance Director
Telly Whitfield, Ph.D., Assistant City Manager
Sheila Thomas-Ambat, Interim Public Services Director



**Compliance Audit 2016-05
Parks, Recreation and Maintenance
Nonresident Fees Implementation**

January 2019

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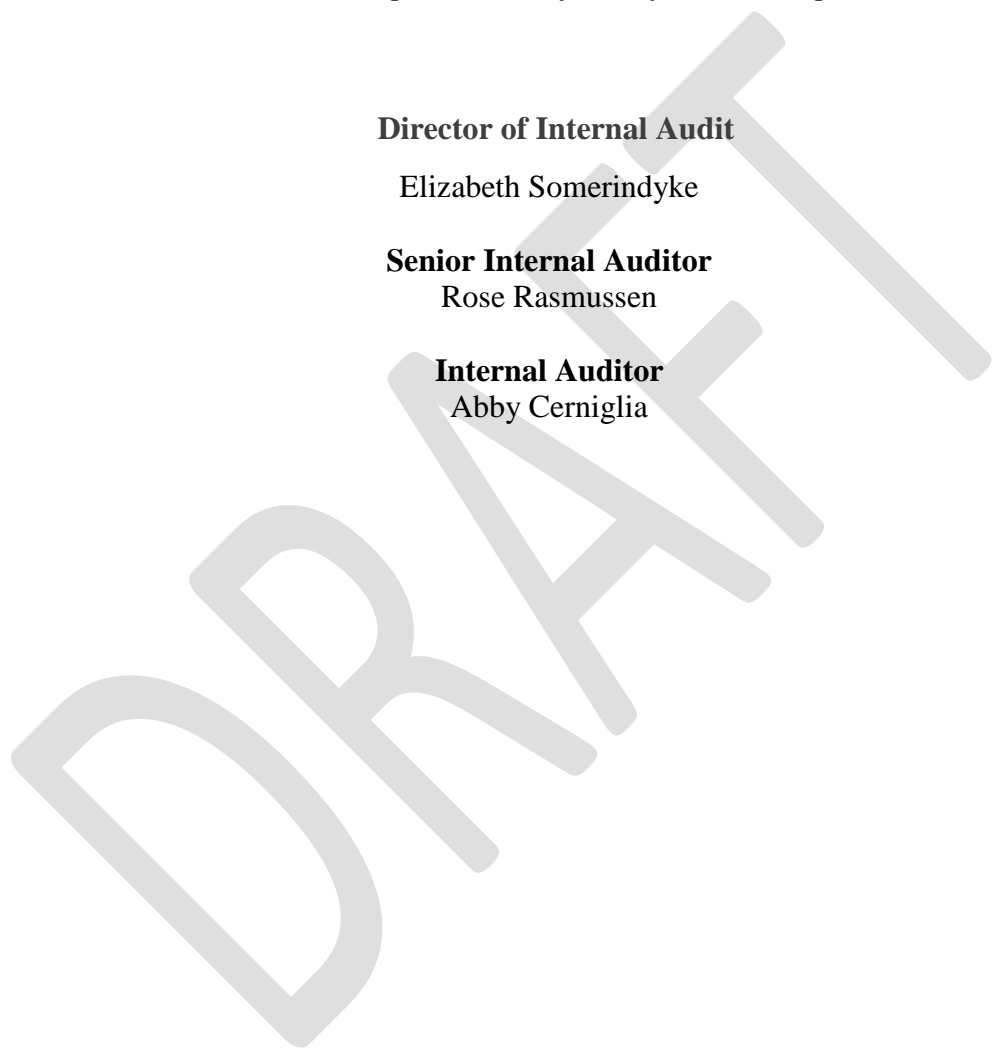


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EXECUTIVE SUMMARY

The Parks, Recreation and Maintenance (PRM) Department's mission statement is to provide quality and affordable parks and recreation facilities. This includes quality and affordable programs for youth, adults and citizens with special needs throughout Fayetteville and Cumberland County. The department provides a wide variety of recreational and leisure programs that require payment of resident and nonresident fees to be processed at various parks and recreation facilities located throughout the Fayetteville and Cumberland County.

On September 28, 2015, City Council approved Budget Ordinance Amendment 2016-2 which established the resident and nonresident fees for parks and recreation services and facility usage. Due to the implementation of the new resident/nonresident fee structure by the PRM Department, an audit of the of the process for charging the nonresident fees was approved in the Fiscal Year 2017-2018 Audit Plan.

The Office of Internal Audit reviewed and documented the processes related to nonresident fees; determined if necessary documents supporting the charge of nonresident vs resident fees were received; determined if fees were charged correctly; and determined if deposits, fees, and revenues assessed and collected were accounted for and deposited intact with the Finance Department, Collections Division. In order to meet the objectives, Internal Audit examined parks and recreation program documents; interviewed personnel; and tested records.

This report addresses a number of areas where management actions could further reduce the risks associated with parks and recreation program fees. Those areas are discussed below:

1. Fees were not always charged correctly.
2. Fees were not always transparent on the fee schedule.
3. Sufficient documentation to validate fees charged was not maintained.
4. Internal controls need strengthened.

The audit did not find evidence of intentional fraud. However, based on internal control deficiencies within the RecTrac management software application used by the PRM Department, Internal Audit could not ensure fraud, waste and abuse did not exist. In addition, documented exceptions to the fee schedule were noted.

BACKGROUND

On September 8, 2015, City Council provided direction to City personnel to implement management's proposal to charge nonresident fees for parks and recreation services and facility usage at 100% above current fees for residents. The Council Action Memo taken to Council stated: "Implementing Non-Resident Fees will allow for a more equitable distribution of costs to provide recreational programming that may be enjoyed by both Residents as well as Non-Residents."

On September 28, 2015, City Council approved Budget Ordinance Amendment 2016-2 which established the resident and nonresident fees for parks and recreation services and facility usage. The Council Action Memo stated: "The Fayetteville-Cumberland Parks and Recreation Department is supported by taxes paid on property in the City of Fayetteville, the Towns of Eastover, Linden, Falcon, Godwin, Stedman, and Wade, and in the unincorporated areas of Cumberland County, excluding the Manchester District. Residents of these areas qualify for resident fees for Parks and Recreation programs and services. Organizations or businesses with physical addresses in these areas also qualify for resident fees for services such as facility rental."

Due to the implementation of the new resident/nonresident fee structure by the PRM Department, an audit of the process for charging the nonresident fees was approved in the Fiscal Year 2017-2018 Audit Plan.

AUDIT OBJECTIVES

The objectives of the audit were to: review and document the processes related to nonresident fees; determine if necessary documents supporting the charge of nonresident vs resident fees were received; determine if fees were charged correctly; and determine if deposits, fees, and revenues assessed and collected were accounted for and deposited intact with the Finance Department, Collections Division.

AUDIT SCOPE

The scope of the audit included parks and recreation fees paid from July 1, 2017 to June 30, 2018 which followed the resident/nonresident fee structure adopted by City Council in September 2015 and the current fee rates adopted by City Council for fiscal year 2018. Internal Audit used a RecTrac General Ledger Report provided by PRM personnel to select a five percent sample of receipts to determine if fees were charged correctly based on the resident/nonresident fee structure. Additionally, a complete population for this period could not be determined; therefore, an additional five percent sample of receipt numbers not reflected on the RecTrac General Ledger Report but within the receipt number range for the fiscal year were selected and reviewed. Although this was not a cash receipts audit, Internal Audit reviewed portions of cash receipts to determine if deposits, fees, and revenues assessed and collected related to the resident/nonresident fee structure were accounted for, deposited intact with the Finance Department, Collections Division; and determine if any fraud, waste or abuse existed.

Audit results were based on observations, inquiries, transaction examinations, and the examination of other audit evidence and provided reasonable, but not absolute, assurance controls were in place and effective.

AUDIT METHODOLOGY

In order to achieve the audit objectives, Internal Audit developed an understanding of processes related to charging of nonresident fees for parks and recreation programs by performing the following:

- Reviewed City Council Action Memos, Budget Ordinance Amendment 2016-2 and adopted fee schedules related to nonresident fees;
- Reviewed the *Fayetteville-Cumberland Parks & Recreation Non-Resident Fee Policy*;
- Interviewed Department personnel involved in establishing procedures for and charging of nonresident fees;
- Gained an understanding of the PRM Department's Enterprise Recreation Tracking Software (RecTrac);
- Conducted site visits of parks and recreation centers;
- Tested a sample of receipts for park and recreation program fees;
- Reviewed documentation maintained by the PRM Department to support the fees charged; and
- Traced cash receipts from the receipts originated in RecTrac to the amounts deposited with the City Finance Department, Collections Division.

FINDINGS, RECOMMENDATIONS, AND MANAGEMENT'S RESPONSES

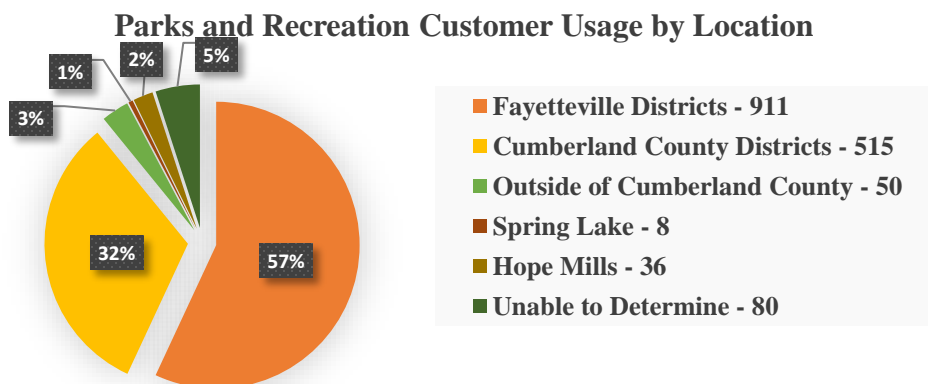
Finding 1

Fees were not always charged correctly.

City Council approved the City of Fayetteville Fee Schedule for Fiscal Year 2017-2018 which stated: "The Fayetteville-Cumberland Parks and Recreation Department is supported by taxes paid on property in the City of Fayetteville, the Towns of Eastover, Linden, Falcon, Godwin, Stedman, and Wade, and in the

unincorporated areas of Cumberland County, excluding the Manchester District. Residents of these areas qualify for resident fees for Parks and Recreation programs and services. Organizations or businesses with physical addresses in these areas also qualify for resident fees for services such as facility rental”. Therefore, Internal Audit reviewed customer addresses on RecTrac receipts against the Cumberland County Property Tax records to determine if: the customer’s address qualified the customer for the resident fee, and was either the resident or nonresident fee charged correctly based on the fee schedule.

Below is a chart which summarizes the customer geographic:



Based on the review, there were 94 (6%) of the 1,600 receipts in the sample determined to be nonresidents, and 46 (49%) of the 94 receipts for nonresident addresses were incorrectly charged the resident rate.

Based on Internal Audit inquiry, PRM personnel focused on ensuring the participant registered for the correct youth athletic zone using a street index guide, and not about whether the customer was a resident or nonresident. The street index guide, a spreadsheet which had to be updated and maintained, identified for PRM personnel what zone the street was located. However, this may not have been the best resource to use due to addresses on the same street may have different residency status, but the street index guide only lists one zone for the respective street. In addition, the *Fayetteville-Cumberland Parks & Recreation Non-Resident Fee Policy* did not provide clear guidance on how staff should determine whether the resident or non-resident rate should be charged, and whether Fort Bragg was considered resident or nonresident.

Additionally, Internal Audit could not determine if the proper fee was charged for 80 (5%) of the 1,600 receipts for which a resident or nonresident fee was applicable due to either the recreation centers address was listed as the customer’s address or the listed address was invalid, whereas, Internal Audit was unable to validate the address the customer resided or the applicable tax district. Of these 80 receipts for which it could not be determined whether the resident or nonresident fee should be charged:

1. Fifty¹ (62%) of the 80 receipts were charged at the resident rate for swimming pool fees; and
2. Twenty-five (31%) of the 80 receipts were charged at the resident rate for fees charged using the ‘Adult Open Play Athletics’ fee.

The review identified the PRM Department did not have a system in place to validate if users of the swimming pools or the gym for Adult Open Play Athletics were resident or nonresident in order to charge the approved rate set by City Council in the fee schedule.

The parks and recreation programs are funded by taxes paid by the households and businesses considered ‘residents’ per the fee schedule. Charging nonresidents an increased rate allows nonresidents to participate in the parks and recreation programs, and help fund the programs. Therefore, when nonresidents are charged at the resident rates, the intent of the Budget Ordinance Amendment is not being adhered to, and potential City revenues are being lost.

¹ These 50 receipts accounted for \$6,050 (90%) of the \$6,704 revenue received on the receipts reviewed for swimming pool fees.

Recommendation

1. The Office of Internal Audit recommends management amend the written *Fayetteville-Cumberland Parks & Recreation Non-Resident Fee Policy* to provide clear guidance on how to accurately and consistently charge fees. This policy should be amended to include sufficient guidance to allow an individual who is unfamiliar with the operations to perform the necessary activities. Finally, subject matter experts should be included in updating and reviewing the policy to ensure only attainable and realistic requirements are included. Improvements to the policy based on Internal Audit's observations should include, but not be limited to:
 - a. Define the process for determining whether the resident or nonresident fee should be charged;
 - b. Establish specific guidance on what areas, if any, of Fort Bragg should be charged the resident fees; and
 - c. Establish specific guidance and expectations on charging swimming pool and Adult Open Play Athletic fees.
2. Once the policy and procedures are updated, management should provide training to PRM personnel involved in charging and monitoring of the parks and recreation program fees.
3. Management should develop a quality review program for the fees and conduct an adequate number of appropriate quality reviews in a timely manner. The documented results should be maintained and utilized as measures of effectiveness during performance evaluations.

Management's Response:

We Concur. Management is in full agreement with the recommendation. Recreation and Administrative management staff will review and amend the Fayetteville-Cumberland Parks and Recreation Non-Resident Fee Policy by May 1, 2019 with training to occur in May/June and full implementation July 1, 2019. A new procedure will be implemented to define the process for staff to determine whether the resident or nonresident fees should be charged. The procedure will also include specific guidance on which fee to charge residents of Fort Bragg. During the review process we will determine if it is operationally feasible to charge nonresident fees for pool entry, Adult Open Play and other similar programs. Training will be provided to all full-time and part-time staff once the policy and procedures are updated and ready for implementation. Recreation and Administrative management will also develop a review process that will ensure that fees are being charged in accordance with the fee schedule.

Responsible Party: Adrienne Thomas, Business Manager

Implementation Date: 07/01/2019

Finding 2

Fees were not always transparent on the fee schedule.

The fee schedule approved by City Council should be complete and transparent. However, Internal Audit noted:

1. Fees not specifically listed on the fee schedule, but charged as resident and nonresident.
 - a. Amateur Athletic Union (AAU) travel teams in which coaches paid the fees for the team to practice at PRM facilities were charged at the 'Adult Open Play Athletics' rate which was \$2 for a resident and \$4 for a nonresident. However, they were all charged at the resident rate (See Finding #1).
 - b. Days during the school year when school was not in session (i.e. spring break, intercessions for year round, etc.) and children attended a camp led by PRM personnel at the recreation centers, PRM personnel charged based on the 'Summer Day Camp' fee which was listed as a weekly rate on the fee schedule. However, PRM personnel would prorate the weekly fee based on the

number of days of camp the child attended. The adopted fee schedule did not indicate the 'Summer Day Camp' fee could be prorated, and based on the name of the fee it was not clear this fee could be used for camps not held during the summer.

- c. Clark Park and Lake Rim Park camps were programs led by PRM personnel, charged based on a resident/nonresident fee structure, and not specifically listed on the fee schedule. Based on Internal Audit inquiry, these programs were considered 'Leisure Activities' which were listed as variable on the fee schedule and were not presented to City Council as being based on a resident/nonresident fee structure.
2. When the fee schedule originally went to City Council for approval of the resident and nonresident rates in September 2015, golf lesson fees were highlighted indicating they were applicable to the resident/nonresident fee structure. However, Internal Audit noted golf lessons were not charged using a resident/nonresident rate. Based on Internal Audit inquiry, PRM personnel indicated the golf lessons were instructed by a contractor; therefore, the rates charged were based on rates established in the contract with the instructor.
3. When trying to obtain a sufficient sample, Internal Audit initially reviewed 1,575 receipts and determined 507 (32%) of the 1,575 receipts were not applicable to the resident/nonresident fee structure. Based on Internal Audit inquiry, 493 (97%) of the 507 receipts were determined to fall under the 'Senior Programs/Leisure Activities' on the fee schedule for which the rate is variable, and based on the way the fee schedule was taken to City Council were not applicable to the resident/nonresident fee structure. Internal Audit noted these receipts not only included programs instructed by contractors but also regularly scheduled programs instructed by PRM personnel.

Based on Internal Audit inquiry, fees were not specifically listed on the fee schedule to allow for flexibility in changing fees. However, when fees are not clearly stated on the fee schedule, citizens may be unaware if the correct fee was charged, and it also creates the opportunity for misappropriation or theft of funds. In addition, City Council may not clearly understand the fees they are adopting in the fee schedule.

Recommendation

The Office of Internal Audit recommends management update the existing fee schedule to provide additional transparency and clarity for City Council and citizens. This should include, but not be limited to, all fees applicable for the resident and nonresident rates, and fees for regularly scheduled programs led by PRM personnel.

Management's Response:

We partially concur. Management is in agreement with a portion of the recommendation. Recreation and Administrative management staff will review the fee schedule and update to ensure transparency and clarity regarding the PRM rates and fees. This includes the fees charged for County-wide regularly scheduled programs and services will be listed on the fee schedule reflecting the appropriate fee, to include the resident and non-resident fee, if applicable. However, the fees that are assigned by Recreation staff based on community interest along with the fees that are determined by contractors providing instructional programs will be reflected on the fee schedule as not applicable to the resident and non-resident fee structure.

Recreation staff creativity and response to community needs may be stifled if every program they lead must be listed on the fee schedule separately, whereas, these fees will be identified as Leisure Activities. Parks and Recreation provides constantly changing and varying programs through 21 facilities in unique communities all over Cumberland County. In order for Parks and Recreation to include all programs on the fee schedule, as opposed to having them listed as under the Leisure Activity designation, would add hundreds of lines to the fee schedule for activities and limit the ability of staff to meet the needs of their communities without having fees approved through City Council. Many of these programs may have the same name, but are slightly different from site to site. For example, Movie Night may be a free activity at one center and another center may charge a fee because they offer the participant dinner and a movie. Another example would be summer programs offered through the park rangers division. They offer six

different summer programs for youth and teens that would all have to be listed separately because they are of varying prices. As stated in the report “when fees are not clearly stated on the fee schedule, citizens may be unaware if the correct fee was charged and it also creates the opportunity for misappropriation or theft of funds” we disagree as fees for all programs are listed on the Fayetteville-Cumberland Parks and Recreation website.

Responsible Party: Adrienne Thomas, Business Manager

Implementation Date: 07/01/2019

Finding 3

Sufficient documentation to validate fees charged was not maintained.

Sufficient documentation should be obtained to determine if the resident or nonresident rate should be charged and to allow for adequate quality reviews. In addition, the documentation should be maintained based on the North Carolina Department of Cultural Resources Records Retention and Disposition Schedule adopted by City Council to ensure compliance with the State’s record retention requirements. However, sufficient documentation was not provided for 1,369 (86%) of 1,600 receipts. Therefore, Internal Audit had to rely on the address entered into RecTrac by PRM personnel and/or the address written by the customer on enrollment or facility rental forms to validate whether the correct resident or nonresident fee was charged. Internal Audit considered the documentation sufficient if it originated from a creditable third party and was dated within the last two years. The *Fayetteville-Cumberland Parks & Recreation Non-Resident Fee Policy* did not provide clear and sufficient guidance on what documentation to obtain, and how the documentation should be maintained.

Without sufficient documentation being maintained, management cannot ensure fees are being charged properly; therefore, the City may not be receiving all revenue associated with the resident and nonresident fees.

Recommendation

The Office of Internal Audit recommends management amend the written *Fayetteville-Cumberland Parks & Recreation Non-Resident Fee Policy* to ensure clear guidance is provided on documentation for resident and nonresident fees. This policy should be amended to include sufficient guidance to allow an individual who is unfamiliar with the operations to perform the necessary activities. Finally, subject matter experts should be included in updating and reviewing the policy to ensure only attainable and realistic requirements are included.

Improvements to the policy based on Internal Audit’s observations should include, but not be limited to:

- a. Types of documentation considered sufficient and insufficient;
- b. Frequency for updating documentation; and
- c. Documentation maintenance, retention and destruction requirements which should ensure adherence to the security of sensitive and confidential information and the State’s retention requirements.

Management’s Response:

We concur. Management is in full agreement with the recommendation. The policy already lists documentation that is acceptable, more clarification will be added as to what is not acceptable, frequency for updating documentation and document maintenance. Recreation and Administrative management staff will review and amend the Fayetteville-Cumberland Parks and Recreation Non-Resident Fee Policy by May 1, 2019 with training to occur in May/June and full implementation July 1, 2019.

Responsible Party: Recreation Division Supervisor

Implementation Date: 07/01/2019

Finding 4

Internal controls need strengthened.

Internal control is the integration of the activities, plans, attitudes, policies, and efforts of City personnel working together to provide reasonable assurance that the City will achieve its mission. More simply, internal control is what the City does to see the things they want to happen will happen...and the things they don't want to happen will not happen. Internal controls provide reasonable assurance that the City will be successful and achieve its mission and accomplish certain goals and objectives. An effective internal control system helps the City to:

- Promote orderly, economical, efficient and effective operations.
- Produce quality products and services consistent with the City's mission.
- Safeguard resources against loss due to waste, abuse, mismanagement, errors and fraud.
- Promote adherence to statutes, regulations, policies and procedures.
- Develop and maintain reliable data, and accurately report that data in a timely manner.

Internal Audit noted several areas which internal controls within RecTrac could be strengthened for cash receipting.

1. ***A conflict of interest may exist with PRM personnel having oversight of RecTrac administration.*** Principle 10 of the United States Government Accountability Office *Standards for Internal Control in the Federal Government* lists segregation of duties as a control activity in which: "Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions and handling any related assets so that no one individual controls all key aspects of a transaction or event." Currently personnel who utilize RecTrac to perform their daily duties or supervise personnel who utilize RecTrac to perform daily duties, also have administrative rights within RecTrac. This allows for a conflict of interest with RecTrac administration supervised by the PRM personnel who can require the RecTrac administrator to circumvent controls in place. Removing RecTrac administration from the PRM Department would allow for proper segregation of duties related to the oversight of RecTrac administration. Segregation of duties involving RecTrac administration was previously recommended to City management in September 2017 in a Fraud, Waste and Abuse Report on the security of sensitive information within RecTrac. When RecTrac was initially implemented, PRM personnel were established as the administrators.
2. ***A complete population could not be determined by Internal Audit for sampling.*** There should be no question as to whether the data in RecTrac was complete. Incomplete data could be a way to hide fraud, waste or abuse. Therefore, Internal Audit conducted testing for completeness to determine if a receipt was generated in RecTrac for each transaction and was assigned a unique receipt number. However, Internal Audit noted 21,656 missing receipt numbers. These missing receipts represented a significant impairment to the overall data integrity so further analysis was conducted, and it was determined a complete report showing all RecTrac transactions from July 1, 2017 to June 30, 2018 was not provided by PRM personnel. Internal Audit was able to run reports in RecTrac to provide a more complete report. However, Internal Audit could not determine if all receipts generated from July 1, 2017 to June 30, 2018 were included on the report due to the lack of controls within RecTrac which included RecTrac users' ability to:
 - a. Change dates on receipts – Internal Audit noted 259 receipts had been predated at the time of issuance (thus the general ledger date was also predated) and three had been postdated; and
 - b. Change general ledger dates in RecTrac – Internal Audit noted the general ledger date within RecTrac for 122 receipts had been predated and three postdated after the receipt was issued.

When users are able to change dates on receipts and the general ledger, a receipt which should have fallen in the audit period may not have been selected for review because it was predated or postdated before or after the audit period. Additionally, Internal Audit noted RecTrac users had the ability to change drawer numbers (as it relates to the location of receipt) and pay codes, whether a cash, check or credit card payment was made. Changing the dates and drawer numbers could allow for revenue to be misappropriated without being discovered.

Recommendation

1. Management should consider having RecTrac administration supervised by the Information Technology Department. This should not only alleviate the current conflict of interest but would allow personnel to supervise this position with knowledge of the need for segregation of duties, access controls and security over RecTrac.
2. Management should review RecTrac user accesses to ensure users only have access for which there is a necessary business need. This should include but not be limited to determining if a necessary business need exists for the ability to change receipt and general ledger dates, drawers, and pay codes.

Management’s Response:

4.1 We concur. Management is in full agreement with the recommendation. After ensuring that Information Technology (IT) had the capacity to accommodate RecTrac administration, management will outline a transition plan over the next several weeks, to include the delineation of “administrative rights” and as identified in our response to Recommendation 4.2. Additionally, given RecTrac’s integral role in sustaining PRM operations, it is Management’s belief that dedicated technical administration is required. The creation of a RecTrac Systems Analyst in the FY21 budget would enhance day-to-day support/user experience, identify and resolve issues and improve process efficiencies as online transactions grow.

Responsible Party: Michael Gibson, PRM Director and Adrienne Thomas, Business Manager

Implementation Date: 03/01/2019

4.2 We concur. Management is in full agreement with the recommendation. Access will be updated for Recreation Division Supervisors to restrict access and the ability to change receipt and general ledger dates, drawers, and pay codes. This access will be updated by February 1, 2019 and remain with the Business Manager and Management Analysts only until PRM management can outline and implement a transition plan as identified in Management’s Response 4.1, to include collaborating with Finance management on the impact the process changes will have on the day-to-day operations.

Responsible Party: Michael Gibson, PRM Director and Adrienne Thomas, Business Manager

Implementation Date: 03/01/2019

CONCLUSION

The Fayetteville-Cumberland Parks & Recreation offers recreational and leisure programs to the City of Fayetteville and surrounding areas. These programs help make our community a more desirable place to live and work. In order for the City to provide the current level of services and add new services, facilities and programs, the PRM Department must ensure adequate controls are in place to safeguard the funds supporting these activities to include nonresident fees charged. However, if the nonresident fees aren’t being collected as required by the fee schedule, then nonresidents may not be fairly contributing to funding these programs as was the intent when the nonresident fees were taken to City Council in September 2015. In addition, based on the number of nonresident customers Internal Audit noted who utilized the parks and recreation programs, management should consider if the implementation of the nonresident rates are achieving the expected outcomes when the fees were originally approved by City Council, and is the additional work and controls to charge the nonresident fees cost beneficial.

Regardless of whether nonresident fees remain, management needs to strengthen the controls around cash receipting. This should include ensuring adequate controls within RecTrac; establishing clear guidance on fees and the cash receipting process; ensuring personnel are properly trained, and establishing a quality review process.

Although the management responses are included in the report, Internal Audit does not take responsibility for the sufficiency of these responses or the effective implementation of any corrective actions.

Internal Audit would like to thank Department personnel for their assistance and numerous courtesies extended during the completion of this audit.

Signature on File

Elizabeth H. Somerindyke
Director of Internal Audit

Signature on File

Rose Rasmussen
Senior Internal Auditor

Signature on File

Abby Cerniglia
Internal Auditor

Distribution:

Audit Committee
Douglas J. Hewett, City Manager
Telly Whitfield, Ph.D., Assistant City Manager
Michael Gibson, Parks, Recreation and Maintenance Director



MEMORANDUM

January 24, 2019

TO: Audit Committee Members

FROM: Elizabeth Somerindyke, Internal Audit Director

RE: Quarterly Management Implementation Status Report

PURPOSE OF REPORT

The attached report provides members of the Audit Committee with an update on the progress of management’s implementation of recommendations made by the Office of Internal Audit. Departmental management updates will be provided quarterly at each regularly scheduled Audit Committee Meeting.

The short summary of the progress updates is provided to allow a quick assessment for all recommendations. The attached report represents updates given by management on the progress made to implement Internal Audit’s recommendations. Except as otherwise noted, no assessment on the progress of the recommendations has been performed by the Office of Internal Audit.

We welcome any questions, suggestions or recommendations for improving this report to enhance your ability to monitor the effective implementation of recommendations.

RECOMMENDATIONS

This information will not be presented. However, we encourage Committee Members to prepare questions and comments on this report prior to the Audit Committee Meeting for discussion with departmental staff at the meeting. Staff from the Permitting and Inspections; Parks, Recreation and Maintenance; Finance and Police Departments have been requested to attend.

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Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2018 - 2019 (2nd Quarter)

<u>Audit Title</u>	<u>Date Released</u>		<u>Accepted</u>	<u>Implemented</u>	<u>Recommendations</u>	
					<u>Implemented</u>	<u>Partially Implemented</u>
Permitting and Inspections A2016-02	October 2016	35	35	34	1	0
Contract Practices and Procedures A2016-06	October 2017	3	3	0	3	0
Evidence and Property Management A2018-01	June 2018	37	36	4	4	28
Police Department Confidential Funds A2018-03	February 2018	2	2	0	2	0

Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2018-2019 (2nd Quarter)

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – January 24, 2019	Management Follow-up Response – October 25, 2018

A2016-02 Permitting and Inspections

1	<p>Permitting and Inspections management should perform a self-assessment of internal controls. Once risk areas are identified, steps should be taken to correct control deficiencies so departmental objectives are achieved and departmental responsibilities are met. Identifying risks and implementing control procedures will not protect assets and produce reliable information if personnel are not following established procedures. To ensure that controls are effective, Permitting and Inspections management should regularly review available documentation to confirm controls are being executed as designed. All documentation should be reviewed and signed off on by a supervisor to ensure completeness and accuracy. In addition, the self-assessment of internal controls should be performed periodically to address additional control deficiencies as they arise.</p>	<p>Workflow processes will be mapped and application-specific permitting procedures will be identified and placed in a checklist format that will be included in a manual of standard operating procedures. Weekly testing by the Building Official, Inspection Supervisors, and the Senior Administrative Assistant will be conducted and documented to identify any risk areas and to correct control deficiencies. Follow-up training will be provided in areas where control problems are identified.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already</i></p>	<p>Implemented</p> <p>Findings #1 and #2 are considered by management to be the capstone of the internal audit reconciliation program, as these two findings culminate the requirements for internal policies/procedures, and the periodic self-assessment.</p> <p>Implementation Date: 10/1/2018</p>	<p>Implemented</p> <p>Findings #1 and #2 are considered by management to be the capstone of the internal audit reconciliation program, as these two findings culminate the requirements for internal policies/procedures, and the periodic self-assessment.</p> <p>Implementation Date: 10/1/2018</p>
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Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2018-2019 (2nd Quarter)

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A2016-02 Permitting and Inspections				
		<p><i>identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Building Official; Senior Administrative Assistant</p>		
2	<p>Written policies for the Permitting and Inspections Department should be developed to set forth requirements; to ensure consistency and reliability of information; provide adherence to laws and regulations, and include provisions for performance measure collection, calculation, review and reporting. The procedures should be updated and include sufficient information to allow an individual who is unfamiliar with the operations to perform the necessary activities. Policies and procedures should be</p>	<p>A comprehensive review of the existing Standard Operating Procedures for both the Permitting and Inspections divisions is currently underway because of major adjustments to procedures and work flows resulting from a substantial effort to simplify procedures and to more fully implement Cityworks, including the scheduling and online permit application functions. Upon completion of the review and revisions, each division's procedural manuals will include step-by-step instructions and</p>	<p>Implemented</p> <p>Findings #1 and #2 are considered by management to be the capstone of the internal audit reconciliation program, as these two findings culminate the requirements for internal policies/procedures, and the periodic self-assessment.</p> <p>Implementation Date: 10/1/2018</p>	<p>Implemented</p> <p>Findings #1 and #2 are considered by management to be the capstone of the internal audit reconciliation program, as these two findings culminate the requirements for internal policies/procedures, and the periodic self-assessment.</p> <p>Implementation Date: 10/1/2018</p>

Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2018-2019 (2nd Quarter)

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A2016-02 Permitting and Inspections

	<p>revised to account for any changes in business processes. This is particularly important when new systems are developed and implemented or other organizational changes occur.</p>	<p>resources in order for existing and new staff to effectively perform their daily functions. This effort will take some time as it will require coordination with two vendors, in addition to multiple departments. Similarly, departmental policies will be developed in conjunction with this effort to govern issues identified in this Compliance Audit in Recommendations 1, 3 7, 9, 16, 20, 22, 26, 29, 31 and 32.</p> <p>The ultimate plan will be to expand this initiative to the inter-departmental level, with policies and procedures in place in order to provide consistent and positive customer service that is seamless across departmental lines. This will be pursued after the development of department policies and procedures and is not considered a direct response to this Audit.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL</i></p>		
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Office of Internal Audit
Quarterly Management Implementation Status Report
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A2016-02 Permitting and Inspections				
		<p><i>software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Senior Administrative Assistant (for Permitting); Building Official (for Inspections)</p>		
3	Permitting and Inspections management should take specific measures to comply with records retention rules as governed by North Carolina General Statutes, North Carolina State Building	A departmental policy has been drafted to provide clear guidance to all staff members with regard to relevant records retention matters. Documentation of records retention will be consistent with State law	Implemented Our current operating practices have been revised and a department-specific records policy has been developed.	Implemented Our current operating practices have been revised and a department-specific records policy has been developed.

Office of Internal Audit
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A2016-02 Permitting and Inspections

	<p>Code; North Carolina Department of Cultural Resources Records Retention and Disposition Schedule, Fayetteville City Code, and City of Fayetteville Policies. Procedures should be outlined for retaining all supporting documentation and where the documentation will be kept taking into account records retention rules. Cityworks electronic files should be updated to include all available documentation not yet attached to a permit file within the system.</p>	<p>and City policy and will be managed by the Senior Administrative Assistant. Permission to utilize digital records as the primary method of retaining documents for building permit applications, building permits, construction plans, and associated correspondence will be sought from the NC Division of Cultural Affairs. Assuming permission is granted, hardcopy applications, plans, and correspondence will be retained in Permitting and Inspections Department files until testing confirms the security and accessibility of digital records in the Cityworks system and/or the records retention dates are exceeded.</p> <p>If permission is not granted by the NC Division of Cultural Affairs for digital records retention, hardcopy files will be retained in Permitting and Inspections Department files or in remote file storage in accordance with departmental policy.</p>	<p>Implementation Date: 10/1/2018</p>	<p>Implementation Date: 10/1/2018</p>
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Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2018-2019 (2nd Quarter)

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A2016-02 Permitting and Inspections				
		<p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Senior Administrative Assistant</p>		
4	To ensure compliance with the Fayetteville City Code, senior management should consider reorganizing the structure of the Permitting and Inspection and the Planning Services and Code	The NC Building Code must be interpreted by someone certified to perform such interpretations, but this training may not qualify the individual to manage the enforcement of City codes	<p>Implemented</p> <p>As of 8/31/2017, this recommendation has been fully implemented.</p>	<p>Implemented</p> <p>As of 8/31/2017, this recommendation has been fully implemented.</p>

Office of Internal Audit
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A2016-02 Permitting and Inspections

	<p>Enforcement Departments so the Permitting and Inspections Director oversees all matters related to interpretation and enforcement of North Carolina State Building Code, to include (if applicable) zoning, building plan review, permits, inspections and code enforcement, as provided in the Fayetteville City Code.</p>	<p>regarding code enforcement and zoning. We believe it is imperative that the management of these related functions should be centralized to enhance customer service but such centralization may not be best handled through the structure proposed by Internal Audit due to the complex nature of the various laws and codes. Once a determination is made regarding reorganization, the PCE Director will take responsibility for amending the City Code as needed to reflect the organizational structure as necessary.</p> <p>As of November 15, 2016, departmental personnel will coordinate all NC Building Codes through the City’s Building Official. A review of the City’s entire development review process will be conducted on the organizational structure and an implementation of the recommendation is anticipated to be completed in early 2017 with the</p>		
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Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2018-2019 (2nd Quarter)

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A2016-02 Permitting and Inspections

		<p>FY18 budget.</p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: City Manager</p>		
5	<p>Permitting and Inspections personnel should ensure compliance with the Fayetteville City Code Chapter 7, Building Code, Part II, Article III Enforcement, Section 7-62(a)(1) Permits Required, by requiring a bond be posted at the time of demolition permit application. Additionally, the City Code should be updated to define the amount of the bond, whereas; currently the amount is defined as “good and sufficient”.</p> <p>However, if Permitting and Inspections management determine bonding requirements for demolition permits are not required as provided in the Fayetteville City Code Chapter 7, Building Code, Part II, Article III Enforcement, Section 7-62(a)(1)</p>	<p>The City Code provides for a requirement that is no longer generally needed. Small-scale demolitions are currently managed through contracts that require the contractor to carry liability insurance sufficient to cover any claims that result. We will propose revising the City Code to delete the bonding requirements except in unusual circumstances, such as where the structure to be demolished shares a common wall with another structure or for larger projects that go through the formal bid process.</p> <p>Implementation Date: 4/30/2017</p> <p>Responsible Party: Planning and Code Enforcement Director</p>	<p>Implemented</p> <p>Our internal processes and ordinances have been and are currently being modified to reflect the chance in the code of ordinances.</p> <p>To limit the individual discretion to the maximum limit as possible, an internal policy has been developed to provide guidance on when bonds (in general) may be required.</p>	<p>Implemented</p> <p>Our internal processes and ordinances have been and are currently being modified to reflect the chance in the code of ordinances.</p> <p>To limit the individual discretion to the maximum limit as possible, an internal policy has being developed to provide guidance on when bonds (in general) may be required.</p>

Office of Internal Audit
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A2016-02 Permitting and Inspections

	Permits Required, then the Fayetteville City Code should be updated to reflect current requirements.			
6	Internal Audit recommends the Permitting and Inspections Department work with the Information Technology Department to develop and implement a process to ensure certificates of occupancy/compliance are not issued prior to all inspections being documented as finalized. Permitting and Inspections management should also streamline and automate documentation for certificate of occupancy and certificate of compliance and encourage appropriate utilization of automated resources to promote efficiency and accountability in the inspection approval process for temporary and final certificates of occupancy and certificates of compliance.	While report creation is part of the Information Technology Department’s top priorities for Cityworks “fixes,” locking out the report is a customization that will require additional funding to complete. Information Technology has completed the process of watermarking the reports in question with a watermark that says INVALID if the report is printed before all the required inspections, payments, or documents are completed. <i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another</i>	Implemented The process-related component of this finding has been revised with the marking of all invalid permits. The procedural component has been implemented by development of a policy on how staff is to mitigate permits that have expired or are invalid.	Implemented The process-related component of this finding has been revised with the marking of all invalid permits. The procedural component has been implemented by development of a policy on how staff is to mitigate permits that have expired or are invalid.

Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2018-2019 (2nd Quarter)

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A2016-02 Permitting and Inspections				
		<p><i>PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 11/30/2016 (workaround) TBD ultimate resolution</p> <p>Responsible Party: Information Technology Information Manager</p>		
7	The Permitting and Inspections Department should ensure compliance with North Carolina General Statutes and the North Carolina State Building Code and create formal procedures for the certificate of compliance and certificate of occupancy process.	Management has reached out to the Supervisor of the Code Inspections Section of the Department of Insurance for clarification on this finding. Section 204.8 Certificate of Compliance of the Administration Code gives a guideline for issuing Certificates of Compliance and Certificates of Occupancy. The Inspections Department is meeting all requirements for the issuance of Certificate of Compliance for	<p>Implemented</p> <p>While this recommendation was implemented by verification with the North Carolina Department of Insurance, the recent organizational change has led us to re-examine the issuance of C/O's and other types of occupancy allowances.</p> <p>Internal policies have been developed and re-designed to</p>	<p>Implemented</p> <p>While this recommendation was implemented by verification with the North Carolina Department of Insurance, the recent organizational change has led us to re-examine the issuance of C/O's and other types of occupancy allowances.</p> <p>Internal policies have been developed and re-designed to</p>

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		<p>Electrical, Mechanical, and Plumbing by issuing a final sticker notice that is placed at the jobsite. We also meet the requirements for the issuance of the Certificate of Occupancy for the Building trade. The referenced General Statute was written in 1993 whereas the referenced code sections are updated every three years.</p> <p>Implementation Date: 10/5/2016</p> <p>Responsible Party: Building Official</p>	<p>incorporate the revised development process and system.</p> <p>Completion Date: 10/1/2018</p>	<p>incorporate the revised development process and system.</p> <p>Completion Date: 10/1/2018</p>
8	Update enforcement actions within Fayetteville City Code to ensure contractors comply with the North Carolina State Building Code.	<p>Management will recommend to the City Council that the City Code be revised to eliminate this section since privilege licenses are no longer required. The Inspections Department uses Section 204.10 Stop Work Orders of the Administration Code to ensure the contractors comply with the Building Code.</p> <p>Implementation Date: 4/30/2017</p>	<p>Implemented</p> <p>This recommendation was implemented on 5/8/17.</p>	<p>Implemented</p> <p>This recommendation was implemented on 5/8/17.</p>

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		Responsible Party: Planning and Code Enforcement Director		
9	<p>Testing performed by Internal Audit in Cityworks revealed deficiencies, whereas, there were areas where Internal Audit was not able to determine compliance with laws and regulations. Therefore, Permitting and Inspections management should consider having a specialized audit of the Cityworks software to ensure the deficiencies revealed in Cityworks are remedied and will provide an adequate level of control, ensure processes are put in place to address controls in which Cityworks is unable to perform, and the software is utilized to its maximum efficiency.</p> <p>The Office of Internal Audit recommends Permitting and Inspections management review the permitting and inspections process to determine key personnel who will have the ability to override the Cityworks system</p>	<p>While a number of the aspects of this finding have been addressed, the Permitting and Inspections Department will seek assistance from the Information Technology department in order to fulfill this recommendation in its totality. In particular, Information Technology will work with all PLL user areas and Internal Audit Staff to ensure that the necessary controls and permissions are in place.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information</i></p>	<p style="text-align: center;">Partially Implemented</p> <p>While most of the sub-findings within this category have been resolved, the following items are considered partially implemented:</p> <p>9-3: The scheduling function of Cityworks is being integrated with the development of the online Cityworks Portal. The completion of the portal is essential before the the scheduling feature could be implemented</p> <p style="text-align: center;">Revised Implementation Date: 1/30/2019</p>	<p style="text-align: center;">Partially Implemented</p> <p>While most of the sub-findings within this category have been resolved, the following items are considered partially implemented:</p> <p>9-3: The scheduling function of Cityworks is being integrated with the development of the online Cityworks Portal. The completion of the portal is essential before the the scheduling feature could be implemented</p> <p style="text-align: center;">Revised Implementation Date: 1/30/2019</p>

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	<p>setup by adding, modifying and deleting fees, inspections and permits within Cityworks. Prior to developing and implementing a process related to access controls, Permitting and Inspections management should assess Cityworks setup related to Permitting and Inspection fees and inspection workflows to ensure consistency with current practice while taking compliance to North Carolina General Statutes, the North Carolina Building Code and the Fayetteville City Code into consideration. Alignment of the required processes with the setup in Cityworks should mean that overriding Cityworks setup by adding, modifying and deleting is an exception and not the rule.</p> <p>Permitting and Inspections management should ensure Permitting and Inspections personnel read and understand the City of Fayetteville Policy # 114</p>	<p><i>Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Senior Administrative Assistant (for Permitting); Building Official (for Inspections); PCE Director (for code changes); Information Technology Director; Assistant and Deputy City Manager</p>		
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	Information Technology Appropriate Usage, and stress the importance of not allowing others to use their access, and protecting all passwords. In addition, written policies and procedures should be documented on how accesses will be requested, who will approve the access and how access will be removed when it's no longer needed.			
10	Internal Audit recommends a work quality review program be developed and an adequate number of appropriate quality reviews of all permits and inspections be conducted in a timely manner. Documented results should be maintained and utilized as measures of effectiveness during performance evaluations.	The Senior Administrative Assistant will collect samples of work of a variety of permits issued by the Permitting Technicians on a quarterly basis. The reviews will be to ensure that the Permit Technicians are applying the requested work via the permit application within the generated permit issued by the technicians. The review of fees will also be observed ensuring that fee calculations are correct and applied to the proper revenue account. The Senior Administrative Assistant will also conduct monthly reviews of the cash drawers by randomly	Implemented Our Work Quality Review Policy has been expanded to encompass the recent organizational change and will tie together other related items such as Training, Work Quality Review, and Performance Measurement. Implementation Date: 10/1/2018	Implemented Our Work Quality Review Policy has been expanded to encompass the recent organizational change and will tie together other related items such as Training, Work Quality Review, and Performance Measurement. Implementation Date: 10/1/2018

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		<p>choosing dates, and times, to count down cash drawers of Permit Technicians that carry out an open cash drawer. A report of such reviews will be created to serve as backup for future auditing purposes.</p> <p>The Building Official has adjusted Inspections Supervisors workloads to allow for field-checking for work performed by subordinate inspectors. Until Cityworks can be configured to track and report on these field-checks, the Building Official will instruct the Inspections Supervisors to document the inspections which have been checked in a spreadsheet format. Additionally, Inspections Supervisors are providing one-hour weekly training sessions for subordinate personnel (non-inspector personnel also attend these sessions; see management response to Recommendation 13.)</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL</i></p>		
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		<p><i>software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 11/30/2017</p> <p>Responsible Party: Senior Administrative Assistant (Permitting); Building Official (Inspections)</p>		
11	The Permitting and Inspections Department should establish measurable and achievable performance goals and service standards. Permitting and Inspections management should	The Building Official is working with Information Technology's project manager and our Cityworks vendors to develop an accurate and efficient system for gathering reporting information. This	Implemented The department has created a policy to define what our data is, how we track our data, and how we use the data for	Implemented The department has created a policy to define what our data is, how we track our data, and how we use the data for

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	<p>establish formal processes to collect performance information and provide adequate training to ensure accurate input of the data used to quantify each performance measure. Once appropriate performance information is available it should be used to better inform management for decision-making and should also enable the Permitting and Inspections Department to better manage its operations and determine the appropriate balance between service level and resources.</p>	<p>information may require adjustment to ensure that accurate, obtainable, and reliable information is measured and that this information represents appropriate performance measurement and service standards. Once these reports are installed in Cityworks, we will be able to analyze workload efficiency and effectiveness performance measures to utilize in management and reporting. The Strategy and Performance Analytics Office will be utilized as a resource moving forward. This initiative is part of Information Technology’s priority project list.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment</i></p>	<p>performance measurement.</p> <p>Implementation Date: 10/1/2018</p>	<p>performance measurement.</p> <p>Implementation Date: 10/1/2018</p>
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		<p><i>is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Senior Administrative Assistant (for Permitting); Building Official (for Inspections)</p>		
12	<p>The Office of Internal Audit recommends Permitting and Inspections management consult with Information Technology personnel to review the impact on Cityworks regarding this instance and any other changes made by the 2015 update. Any data integrity issues should be reviewed to determine if any data needs 'cleaned' and fix any 'clean up' considered necessary.</p>	<p>This will require a great deal of input and assistance from Information Technology.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment</i></p>	<p>Implemented</p> <p>Items from the 2015 Cityworks upgrade have been repaired. Additional processes (such as the creation of a test environment and regression testing) have been developed to gauge and minimize the impacts of any future upgrades. A policy is being developed that is specific to Development Services concerning the calculation of fees and the</p>	<p>Implemented</p> <p>Items from the 2015 Cityworks upgrade have been repaired. Additional processes (such as the creation of a test environment and regression testing) have been developed to gauge and minimize the impacts of any future upgrades. A policy is being developed that is specific to Development Services concerning the calculation of fees and the</p>

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		<p><i>is completed, only issues already identified as a part of Permitting and Inspections and Information Technology’s project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: IT Project Manager</p>	<p>integrity of data (as discussed in finding 11).</p> <p>Implementation Date: 10/1/2018</p>	<p>integrity of data (as discussed in finding 11).</p> <p>Implementation Date: 10/1/2018</p>
13	<p>While inspector training may be driven by certification requirements, non-inspector personnel training needs are not. Conduct a personnel training assessment and develop or provide training opportunities to meet the needs identified. Permitting and Inspections management should dedicate the appropriate resources and time to ensure proper training for department personnel. An important part of any training program includes basic product knowledge. Each member of the department should be familiar with</p>	<p>Training for non-inspector personnel will consist of the following training types, to be implemented as funding and operational considerations allow:</p> <ul style="list-style-type: none"> • Annual training conducted by the Building Official regarding the administrative requirements and standards of the North Carolina Building Code. • Non-inspector personnel currently participate in the weekly one-hour training of inspectors by the Inspections Supervisors. • Periodic non-inspector 	<p>Implemented</p> <p>The department has incorporated internal training to detail training and proficiency expectations.</p> <p>Implementation Date: 10/1/2018</p>	<p>Implemented</p> <p>The department has incorporated internal training to detail training and proficiency expectations.</p> <p>Implementation Date: 10/1/2018</p>

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	<p>the services offered in order to competently satisfy customer needs by providing accurate information and good customer service. Training should also include an understanding of the entire permitting and inspections process and how activities in each area of the Permitting and Inspections Department affect actions taken in other areas both within the department and across other departments. In addition, formal training on the Cityworks software program should be instituted to provide familiarity with the system.</p>	<p>personnel “ride-alongs” with inspectors to establish familiarity with the practical challenges of construction inspection from the perspective of certified inspectors.</p> <ul style="list-style-type: none"> • Formal training in the administration of construction permitting through the Certified Permit Technician coursework developed by the NC Department of Insurance. • Continuation of prior training in customer service “soft skills” provided by an outside consultant chosen by the Interim Department Director. In the prior training, each staff member was provided an “Inspector Skills” training guide booklet and a study guide questionnaire. Upon completion of the questionnaire, the consultant held employee training of both inspectors and permitting staff on the related materials. • Cityworks-specific training in 		
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		<p>the form of online courses, on-site training, and webinars offered by the software integrator and the software developer.</p> <ul style="list-style-type: none"> • Annual review of relevant City and departmental policies conducted by the Senior Administrative Assistant. • Personnel from the State Licensing Board can be requested to provide periodic training on licensing issues. • The Building Official is compiling a portfolio of photographs illustrating various inspection types that will be used to help familiarize non-inspector personnel with different inspection types. <p style="color: red; font-style: italic;">As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to</p>		
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		<p><i>continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Interim Permitting and Inspections Director</p>		
14	Permitting and Inspections management should identify the kinds of reporting information needed in order to adequately track and assess the efficiency of the permitting process. Internal Audit recommends Permitting and Inspections management work with the Information Technology Department and/or the software developer to improve standard reports that can be used on an ongoing basis to ensure the	We will perform a comprehensive review of existing policies and procedures and make the necessary adjustments to comply with the purpose and intent of this audit. Reporting will be a component of this initiative. Reporting is part of the Information Technology Department's priority "fix" list. As modifications to the case types, workflows, and data groups are complete, we will be able to develop the necessary reports for	<p>Implemented</p> <p>As discussed in Finding #11, the department has developed a policy that defines how the data is defined, how to preserve the integrity of the data, and how to use the data to measure performance.</p> <p>Implementation Date: 10/1/2018</p>	<p>Implemented</p> <p>As discussed in Finding #11, the department has developed a policy that defines how the data is defined, how to preserve the integrity of the data, and how to use the data to measure performance.</p> <p>Implementation Date: 10/1/2018</p>

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	information needed to manage the permitting and inspections processes will be available to those charged with the responsibility.	<p>daily and management use.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Information Technology Project Manager</p>		
15	The Office of Internal Audit recommends Permitting and Inspections management collaborate with all departments	We will coordinate with other departments to establish a program of customer training sessions. There are a variety of existing models to	Implemented The department is currently in deployment of an electronic	Implemented The department is currently in deployment of an electronic

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	<p>involved in the City’s permitting and inspections process to develop routine customer training sessions to be held at least annually. These sessions should, at a minimum, cover information within the entire permitting and inspections process which cause the most customer confusion, such as re-inspections and frequently asked questions. In addition, any new laws, regulations, and requirements should be included in the training sessions.</p>	<p>choose from in implementing customer training, including webinars, presentations before trade or homebuilders organizations, and online tutorials to help train our customers. Some of the timing for this initiative will depend upon when the Public Portal and plan review software is implemented by Information Technology.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology’s project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p>	<p>plan review platform. In development of this platform, we have defined visual workflows that illustrate the development review and permitting process as it relates to the online review and permitting system.</p> <p>Implementation Date: 10/1/2018</p>	<p>plan review platform. In development of this platform, we have defined visual workflows that illustrate the development review and permitting process as it relates to the online review and permitting system.</p> <p>Implementation Date: 10/1/2018</p>
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		<p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Interim Permitting and Inspections Director</p>		
16	<p>The written policies and procedures recommended in Finding 2 should include practices for closing or otherwise terminating permits that have been abandoned past a certain time threshold as such jobs may require the project to comply with newer, safer building codes and would help protect the public safety. Permitting and Inspections management should continue working with the Information Technology Department and the software developer to implement changes that would update a permit status as it is moved through permitting and inspections processes. Once these changes have been completed and thoroughly tested, the impact on historical information that may occur should be assessed before implementing such changes.</p>	<p>The Information Technology Department is currently working on implementing an automated expiration process for permits that have not received an inspection within six months or that exceed the expiration date after issuance of the permit. Until the automation of expiring permits is implemented, the Permit Technicians are able to query a report to manually expire permits, as well as, export an excel report capturing the number of cases that were manually expired per Permit Technician. The Senior Administrative Assistant will draft a written procedure and policies as set forth in the recommendation and for compiling data for performance measuring purposes.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has</i></p>	Implemented	Implemented

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		<p><i>authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 11/30/2017</p> <p>Responsible Party: Senior Administrative Assistant</p>		
17	Allowing permits to expire should not be an easy method to avoid inspection and circumvent established controls. Permitting and Inspections management should establish controls to ensure failed inspections are followed to conclusion so the permit holder and/or contractor seek and receive	Cityworks procedure changes are necessary to effectuate compliance with this finding. Permits that have not had an inspection within 6 months will be automatically expired and the status changed to Closed - Expired. An email will be sent to the applicant 30 days prior to the expiration and then again up	Implemented Implemented per last follow-up response.	Implemented Implemented per last follow-up response.

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	<p>final approval of the project.</p> <p>The Cityworks software should be configured to automatically expire permits based on specific criteria. A risk assessment should be prepared before permits within Cityworks are automatically expired, whereas, implementing this program could have a significant impact on permits.</p> <p>A report should be created and run at some stated interval to resolve expired permits and impose a terminal status of EXPIRED. Some consideration should also be given to sending a notice to the permit holder advising of the expiration of the permit due to lack of activity and giving the permit holder an opportunity to respond.</p> <p>Permitting and Inspections personnel should ensure compliance with the Fayetteville City Code Chapter 7, Building Code, Part II, Article III</p>	<p>on expiration. If a permit has had at least one inspection, the permit expiration will be extended for 12 months in keeping with the NC Building Code. This feature is currently in test and will be moved into production shortly.</p> <p>Staff will propose revisions to the City Code to ensure compliance with the NC Building Code.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be</i></p>		
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	Enforcement, Section 7-68, Time Limitations on Validity of Permits, by expiring permits 60 days from issuance if the work authorized by the permit has not been commenced or update the Fayetteville City Code to be consistent with the North Carolina State Building Code requiring the time limitation for a permit to expire as six months after the date of issuance if the work authorized by the permit has not been commenced.	<i>discontinued.</i> Implementation Date: 4/30/2017 Responsible Party: IT Project Manager for permit expiration notices; Planning and Code Enforcement Director for changes to City Code.		
18	Permitting and Inspection management should coordinate with the Information Technology Department and/or the software developer to develop controls within Cityworks to verify the correct PIN is present on permit records. Should Cityworks not have this capability, Permitting and Inspections management should develop mitigating controls to ensure the validity of PIN's during the review and approval process for permit applications. In	Cityworks procedure changes are necessary to effectuate compliance with this finding. Permitting and Inspections will require considerable assistance from Information Technology in the testing of Cityworks upgrades. This was an issue that was discussed during a December meeting and there was no clear resolution because the GIS Data that contains the PIN information is provided by Cumberland County	Implemented Implemented per last follow up response	Implemented Implemented per last follow up response

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	<p>addition, Permitting and Inspections management should develop a process for consistent and accurate input of address information and work with the Information Technology Department and/or the software developer to fully integrate the GIS mapping function within Cityworks. In the interim it may be beneficial to enter information in the “Notes” section of a permit to indicate that the address will not match the County records and why. Thorough testing of all upgrades should be performed to ensure the product is performing at an acceptable level to achieve departmental goals.</p>	<p>GIS because the Register of Deed and the County GIS use different systems. The update from the Register of Deed to the County GIS is not always as timely as the city would like it. City and County GIS have been working together to resolve this, the city receives a nightly update from the county, and as long as the Register of Deed has updated County GIS then the City GIS and Cityworks will be correct. City GIS also has a GIS Road Map project to develop a collaborative GIS Environment with the county to help with this.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already</i></p>		
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		<p><i>identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Chief Information Officer</p>		
19	The Office of Internal Audit recommends Permitting and Inspections management review the existing Fee Schedule to determine whether enhancements would provide additional transparency and clarity for citizens and contractors. In addition, Permitting and Inspections management should ensure consistency among the permit application, Fayetteville City Code and the Fee Schedule.	<p>Management is currently reviewing the permit fees and the permit applications for all four trades. Once we have corrected our fee schedule and permit applications, we will write the policy and procedures to make sure all permits are accurately issued and valued.</p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Building Official</p>	<p>Implemented</p> <p>The department has currently reviewed the fee scheduling and cross-examining it with our permit applications to ensure that all language is consistent, clear, and transparent. This process was concurrent with the implementation of our online Cityworks and idtPlans portal.</p> <p>Implementation Date: 10/1/2018</p>	<p>Implemented</p> <p>The department has currently reviewed the fee scheduling and cross-examining it with our permit applications to ensure that all language is consistent, clear, and transparent. This process was concurrent with the implementation of our online Cityworks and idtPlans portal.</p> <p>Implementation Date: 10/1/2018</p>
20	Permitting and Inspections management should determine if Cityworks has the capability to	<p>There is a lack of integration between the accounting software programs that the City uses that</p>	<p>Implemented</p> <p>The IT department worked with</p>	<p>Implemented</p> <p>The IT department worked with</p>

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	<p>provide reports by subsidiary ledger for fees charged to customers, which could be used to reconcile to the City’s general ledger.</p> <p>Permitting and Inspections management should develop written procedures which should be followed to ensure a documented reconciliation between the amounts billed/refunded in Cityworks and actual revenue posted in the general ledger is performed at regular intervals. The reconciliation should be completed with verification of the balances by a second authorized individual including initialing and dating reports to document a review and reconciliation was performed.</p> <p>In addition, Permitting and Inspections management should develop written policies and procedures to document the process and the importance of</p>	<p>requires manual procedures to reconcile revenues across Cityworks, JDE, and the Point of Sale program. The reconciliation process of this report is completed by the Senior Administrative Assistant and, upon completion of the reconciliation, the Senior Administrative Assistant records her signature and has an employee unassociated with cash handling, approve the reconciliation report. The Senior Administrative Assistant will develop written procedures on the processes of this reconciliation procedure.</p> <p>The Permit Technicians have previously trained on the reset procedures of the Point of Sale cash drawers. A draft procedure on “Reconciliation Cash Drawers” has been prepared for review and approval by the Interim Permitting and Inspections Director. Compliance with these procedures will be included as a performance measure.</p>	<p>the Cityworks developers to ensure that the date of transactions matches the date on other financial software systems.</p> <p>The department developed policies that incorporate the City’s Financial Policies to a department specific level to include the required reconciliation of all financial transactions with the general ledger.</p>	<p>the Cityworks developers to ensure that the date of transactions matches the date on other financial software systems.</p> <p>The department developed policies that incorporate the City’s Financial Policies to a department specific level to include the required reconciliation of all financial transactions with the general ledger.</p>
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	<p>closing the POS register nightly.</p> <p>Once these processes are established, Permitting and Inspections management should ensure personnel are adequately trained on them.</p>	<p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Senior Administrative Assistant</p>		
21	<p>Permitting and Inspections personnel should ensure, when submitting payment to the North Carolina Licensing Board on a quarterly basis, that correct amounts are submitted based on a reconciliation of information in Cityworks and the general ledger. Any Homeowner Recovery Fund fee refunds should be taken into consideration when completing the reconciliation.</p>	<p>The Information Technology Department created a new Account Payables subsidiary code to capture the \$9 fee that is paid to the NC Licensing Board. The existing revenue account captures the remaining \$1 recognized as revenue. The recent segregation of the Homeowner Recovery Fee was implemented October 3, 2016. The Senior Administrative Assistant will continue to submit quarterly payments to the N.C. Licensing Board but, beforehand, the Senior Administrative Assistant will ensure that the payment is accurately reconciled amongst the Cityworks Revenue Report and General Ledger within JDE.</p> <p>The same will apply to refunds.</p>	<p>Implemented</p> <p>The department has developed and refined policies that incorporate the City’s Financial Policies to a department specific level.</p>	<p>Implemented</p> <p>The department has developed and refined policies that incorporate the City’s Financial Policies to a department specific level.</p>

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		<p>The Senior Administrator will ensure refunds of the Homeowner Recovery Fee are properly processed and applied to the appropriate fund accounts within JDE and revenue accounts with Cityworks.</p> <p>Implementation Date: 10/3/2016</p> <p>Responsible Party: Senior Administrative Assistant</p>		
22	<p>Permitting and Inspections management should require, annually, all personnel who handle cash receipts to read the Cash Handling General Procedures and sign acknowledging receipt and understanding of the procedures.</p> <p>A formal written refund policy to provide guidance and direction on how to process refunds should be developed. In addition, Permitting and Inspections personnel should be trained on these policies.</p> <p>Permitting and Inspections</p>	<p>The Senior Administrative Assistant provided Permit Technicians copies of the city’s Cash Handling General Procedures. Each of the technicians received, reviewed, and signed the Cash Handling General Procedures Acknowledgement form. A copy of the Cash Handling General Procedures is readily accessible to the Permit Technicians and such policy will be reviewed and signed on an annual basis as recommended by the Finance Department.</p> <p>The Senior Administrative</p>	<p>Implemented</p> <p>The department has developed and refined policies that incorporate the City’s Financial Policies to a department specific level. We have been working with Finance Department staff to adequately develop these procedures that are consistent across department lines.</p> <p>Implementation Date: 10/1/2018</p>	<p>Implemented</p> <p>The department has developed and refined policies that incorporate the City’s Financial Policies to a department specific level. We have been working with Finance Department staff to adequately develop these procedures that are consistent across department lines.</p> <p>Implementation Date: 10/1/2018</p>

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	management should ensure quality reviews are done for all cash receipt processes.	<p>Assistant prepared a department Refund Procedures & Policy. Upon review and approval by the Permitting and Inspections Director, the Senior Administrative Assistant will conduct mandatory training for all Permit Technicians in two weeks following the policy adoption.</p> <p>The Senior Administrative Assistant will conduct quarterly quality reviews of the issuance process which will include cash handling procedures. This process will begin the third quarter of FY17.</p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Senior Administrative Assistant</p>		
23	Internal Audit recommends Permitting and Inspections personnel responsibilities be reassigned in order to achieve an effective separation between opening the mail and recording transactions. In addition,	Personnel duties will be defined to require the front line permit technicians assigned to permit issuance to record transactions, and daily dispatch permit technicians will have mail duties to address this issue. The Senior Administrative	Implemented The department has developed and refined policies that incorporate the City’s Financial Policies to a department specific level. We have been	Implemented The department has developed and refined policies that incorporate the City’s Financial Policies to a department specific level. We have been

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	<p>Permitting and Inspections management should consider checks being opened in dual custody to further strengthen controls.</p> <p>Additionally, Permitting and Inspections management should assess the Administrative Assistant’s job description and determine if additional education, experience or knowledge related to internal controls is needed due to the supervision of cash handling functions and update the job description or position as deemed appropriate.</p>	<p>Assistant will supervise and ensure compliance.</p> <p>Management is reviewing a vacant Permitting and Inspections position against the recommendation and will request a study from the Human Resource Department. Once the study is complete, management will recruit for this position in November 2016.</p> <p>Implementation Date: 9/30/2017</p> <p>Responsible Party: Interim Permitting and Inspections Director</p>	<p>working with Finance Department staff to adequately develop these procedures that are consistent across department lines.</p> <p>Implementation Date: 10/1/18</p>	<p>working with Finance Department staff to adequately develop these procedures that are consistent across department lines.</p> <p>Implementation Date: 10/1/18</p>
24	<p>The Office of Internal Audit recommends Permitting and Inspections management work with the Information Technology Department to establish a process for security of faxed information. Such a process could include faxes being printed only when the appropriate security code is entered or having a dedicated fax machine for the Permitting and</p>	<p>The fax machine vendor programmed the Permitting Multi-Functional Device (fax machine) so permit applications received can only be printed by means of entering a security code. Faxes are secured within the device until the security code is applied. Permit Technicians and the Senior Administrative Assistant are only privy to such code, and if at any</p>	<p>Implemented</p> <p>The department has developed and refined policies that incorporate the City’s Financial Policies to a department specific level.</p> <p>Implementation Date: 10/1/2018</p>	<p>Implemented</p> <p>The department has developed and refined policies that incorporate the City’s Financial Policies to a department specific level.</p> <p>Implementation Date: 10/1/2018</p>

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	<p>Inspections Department in a secure location with limited access. Permitting and Inspections management should ensure the faxes are destroyed in accordance with City’s Administrative Policy # 311 - <i>Security of Sensitive and Confidential Information and Breach Response Plan</i>.</p>	<p>time the code may be breached, a new security code can be reassigned.</p> <p>The Finance Department provided the Senior Administrative Assistant a copy of the city’s policy #311, Security of Sensitive and Confidential Information and Breach Response Plan. Each technician received, reviewed, and signed the Acknowledge form. The Senior Administrative Assistant also prepared a draft policy of a Security and Confidential Information for review by the Permitting and Inspection Director. Upon review and approval of the policy, the Senior Administrative Assistant will conduct mandatory training to all Permit Technicians within two weeks following adoption. The Senior Administrative Assistant will also conduct quarterly quality reviews of the Security and Confidential Information. Additionally, and in accordance to the Security of</p>		
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		<p>Sensitive and Confidential Information and Breach Response Plan, the Permit Technicians destroy (shred) faxes that contain confidential financial information following the completion of the issuance process of every permit.</p> <p>Implementation Date: 9/30/2016</p> <p>Responsible Party: Senior Administrative Assistant</p>		
25	<p>Permitting and Inspections management should coordinate with the Information Technology Department and/or the software developer to develop controls within Cityworks to ensure permits are not printed before all pre-permitting requirements are met and the hardcoded status on the permit should read the status within Cityworks.</p> <p>Additionally, Internal Audit recommends the appropriate inspector review all written applications as defined by NCGS</p>	<p>While report creation is part of the Information Technology Department’s top priorities for Cityworks “fixes,” locking out the report is a customization that will require additional funding to complete. IT has completed the process of watermarking the reports in question with a watermark that says INVALID if the report is printed before all the required inspections, payments, or documents are completed.</p> <p>We will coordinate with the Department of Insurance to</p>	<p>Implemented</p> <p>The process-related content of this finding has been addressed,</p> <p>Implementation Date: 10/1/2018</p>	<p>Implemented</p> <p>The process-related content of this finding has been addressed,</p> <p>Implementation Date: 10/1/2018</p>

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	<p>and Fayetteville City Code, Chapter 7, Article III before a permit is issued.</p>	<p>determine the need for building inspectors to issue trade permits.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 11/30/2016 for the workaround. TBD for the ultimate resolution.</p> <p>Responsible Party: IT Project Manager</p>		
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26	<p>Internal Audit recommends Permitting and Inspections management review applications, the Fee Schedule and Cityworks, and ensure they are consistent with one another. In addition, Permitting and Inspections management should review all permit applications to ensure all necessary information is required on the applications, applications are clear, and assess whether any unnecessary information should be removed from the applications. Once the applications are updated and made available to the contractors/homeowners, their use should be enforced.</p> <p>In order to be in compliance with North Carolina General Statutes, Inspectors should issue permits. However, prior to permit issuance, Permitting and Inspections personnel should ensure permit applications are completed with all information necessary to calculate fees. If information on the</p>	<p>We will coordinate with the Department of Insurance to determine the need for building inspectors to issue trade permits. Staffing and workload issues may preclude quality control by inspection supervisors without additional resources as has been noted in responses to prior findings. Staff will work with Information Technology to see if exceptions can be identified for quality control purposes. Once these issues are resolved, policies and procedures will be developed and training conducted to ensure subordinate staff adherence to the policies and procedures.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another</i></p>	<p>Implemented</p> <p>The department has reviewed the fee schedule and cross-examined it with our permit applications to ensure that all language is consistent, clear, and transparent.</p> <p>An internal policy has been developed in regards to permit issuance and work-quality review to address the human-related consistency component of permitting.</p> <p>Implementation Date: 10/1/2018</p>	<p>Implemented</p> <p>The department has reviewed the fee schedule and cross-examined it with our permit applications to ensure that all language is consistent, clear, and transparent.</p> <p>An internal policy has been developed in regards to permit issuance and work-quality review to address the human-related consistency component of permitting.</p> <p>Implementation Date: 10/1/2018</p>
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	<p>application is unclear, Permitting and Inspections personnel should ask the applicant for clarification. Any updated information should be clearly documented for future reference.</p> <p>Permitting and Inspections management should establish a quality review process for the Permitting and Inspections Department. Due to the high volume of applications, the likelihood of finding an exception by spot checking is statistically low. Therefore, when establishing a quality review process, Permitting and Inspections management could consider exception-based reporting from Cityworks which could identify unusual transactions, such as a residential building permit without a homeowner recover fee charged.</p> <p>Policies and procedures should be written to provide clear guidance on accurate and consistent</p>	<p><i>PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Building Official; Senior Administrative Assistant</p>		
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	application of fees. Training should be given to Permitting and Inspections personnel to ensure understanding and adherence to policies and procedures.			
27	<p>Internal Audit recommends the appropriate inspector review all written applications as defined by NCGS and Fayetteville City Code, Chapter 7, Article III before a permit is issued. This review should include the status of the contractor’s license.</p> <p>Additionally, Internal Audit recommends Permitting and Inspections personnel establish and follow written procedures to ensure each contractor’s license is valid when issuing a permit. Since permits expire December 31 each year and become invalid 60 days from that date unless renewed, Permitting and Inspections should establish and follow written procedures to ensure all general contractors with active permits still have valid licenses in March of</p>	<p>The Planning and Code Enforcement Director will review the City Code and propose any modifications that are necessary to modernize and ensure consistency between the City Code, the NC Building Code, and departmental procedures and policies.</p> <p>Management has reached out to the Supervisor of the Code Inspections Section of the Department of Insurance for clarification on inspector issuance of permits. The Permitting and Inspections Department is meeting all requirements for the issuance of trade and building permits in our current practice.</p> <p>Management is currently reviewing the permit fees and the permit applications for all four trades.</p>	<p>Implemented</p> <p>While the process-related component of license review has been implemented, a policy was also revised to incorporate consistent research of contractor’s license within the issuance of permits.</p> <p>In addition, the City Attorney’s Office provided guidance that once the permit has been issued, it is the contractor’s responsibility to maintain his license in accordance with the 2012 North Carolina Administrative Code and Policies Section 204.3.6 which reads <i>“It shall be the duty of every person who contracts for the installation or repair of a building or service system to</i></p>	<p>Implemented</p> <p>While the process-related component of license review has been implemented, a policy was also revised to incorporate consistent research of contractor’s license within the issuance of permits.</p> <p>In addition, the City Attorney’s Office provided guidance that once the permit has been issued, it is the contractor’s responsibility to maintain his license in accordance with the 2012 North Carolina Administrative Code and Policies Section 204.3.6 which reads <i>“It shall be the duty of every person who contracts for the installation or repair of a building or service system to</i></p>

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	<p>each year. For any active permits determined to be issued to general contractors with invalid licenses, Permitting and Inspections personnel should establish written procedures to comply with NCGS 160-422 relating to the revocation of permits.</p>	<p>Once we have corrected our fee schedule and permit applications, we will write the policy and procedures to make sure the permit is accurately issued and valued.</p> <p>The Permit Technicians are currently following procedures of verifying contractors licenses prior to the issuance of permits. The Senior Administrative Assistant will draft a policy and procedures to ensure that this process is being validated. The Senior Administrative Assistant will complete monthly random quality control checks to ensure that this recommendation is followed through.</p> <p>In speaking with the North Carolina Licensing Board for General Contractors, they are looking into developing a WebService with which we would be able to programmatically interface with in order to validate the contractor in real time. At this time there is no</p>	<p><i>comply with State or local rules and regulations concerning licensing.”</i></p> <p>Implementation Date: 10/1/2018</p>	<p><i>comply with State or local rules and regulations concerning licensing.”</i></p> <p>Implementation Date: 10/1/2018</p>
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		<p>ETA for the availability of this WebService. Such an arrangement with other trades is being explored. Currently Information Technology has investigated other methods of automatically validating the Contractor License, however, there would be additional funding needed to do this.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p>		
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		<p>Implementation Date: 9/30/2017</p> <p>Responsible Party: Planning and Code Enforcement Director (code changes); Senior Administrative Assistant (procedures)</p>		
28	<p>Permitting and Inspections management should coordinate with the Information Technology Department and/or the software developer to develop controls within Cityworks to prevent creating duplicate permits. Should Cityworks not have this capability; Permitting and Inspections management should work with personnel within the department on mitigating controls to ensure duplicate permits are not being created. All permit applications should be reviewed by an appropriate level inspector before a permit is issued at which time, the inspector can verify that a duplicate permit is not being created.</p>	<p>Cityworks cannot currently prevent the creation of duplicate permits, however, it will allow you to see all the existing permits, cases, service requests and work orders at a given address.</p> <p>Resolution of this issue is dependent on a vendor's schedule. Additionally, consideration should be given to distinguishing between a trade permit and a building permit with regard to the qualifications of the issuing authority. If inspectors have to sign off on all permits prior to their issuance, a significant resource issue will be created due to permit volume. If this is the direction of the Interim City Manager, we will produce a plan for implementation for consideration during the FY18</p>	<p style="text-align: center;">Implemented</p> <p>A project may require more than one of a specific trade permit (multiple electrical permits may be issued for one job).</p> <p>Staff is familiar with the requirements for each permit, and the differentiation of each permit type. Although trade permits may appear to be the same at first glance, staff includes notes and other items to differentiate each permit from another to avoid duplication.</p> <p style="text-align: center;">Implementation Date: 10/1/2018</p>	<p style="text-align: center;">Implemented</p> <p>A project may require more than one of a specific trade permit (multiple electrical permits may be issued for one job).</p> <p>Staff is familiar with the requirements for each permit, and the differentiation of each permit type. Although trade permits may appear to be the same at first glance, staff includes notes and other items to differentiate each permit from another to avoid duplication.</p> <p style="text-align: center;">Implementation Date: 10/1/2018</p>

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		<p>budget cycle.</p> <p>Information Technology is working with software developer to bring a Cityworks PLL trainer on site to provide specialized PLL training.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 11/15/2016</p>		
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		Responsible Party: Interim Permitting and Inspections Director and Information Technology Director		
29	Procedures should be established requiring inspectors to document within Cityworks when the inspector reaches the location and the results of the inspection before going to the next assignment. Cityworks should be configured, if necessary, to facilitate this type of documentation. Training should be provided to improve inspectors' documentation, to establish parameters and guidelines and the use of laptops in the field to result the inspections.	Permitting and Inspections has purchased laptop computers for all the field inspectors to eliminate the problem of limited or no connectivity in some areas of the City. Since that time, the inspectors have been trained and directed by management to log into Cityworks and do all of their inspection postings at the jobsite. Management is working with Cityworks to be able to have this measurable data extracted in several types of reports. This will give management valuable information that we will be able to use in determining if the department is adequately staffed. <i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of</i>	Implemented The process and policy related content of this finding has been remedied Also, technology has also being evaluated to ensure that the inspectors can result the inspections in real time after the inspection is conducted. Implementation Date: 10/1/2018	Implemented The process and policy related content of this finding has been remedied Also, technology has also being evaluated to ensure that the inspectors can result the inspections in real time after the inspection is conducted. Implementation Date: 10/1/2018

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		<p><i>Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Building Official</p>		
30	Internal Audit recommends the Permitting and Inspections Department prohibit the practice of bypassing system controls by deleting and/or resulting inspections on the workflow as "NA". Quality reviews should be conducted by management to ensure all inspections are completed and resulted for each type of permit on the workflow.	The inspections workflows are currently under modification. It is the intent to modify and simplify each of the workflows per permit type. Until this occurs, an "N/A" will be placed on inspections tasks not related to the inspection. The Permitting and Inspections department is working closely with the IT department as well as with Cityworks in order to address this	<p>Implemented</p> <p>With the assistance of IT, the department has implemented the recommendation preventing the bypassing of system controls.</p>	<p>Implemented</p> <p>With the assistance of IT, the department has implemented the recommendation preventing the bypassing of system controls.</p>

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	<p>Cityworks workflows should be updated for each permit type to include only required inspections for that permit type.</p>	<p>issue.</p> <p>As we modify the case types and workflows additional security will be added which will prohibit the addition or deletions of task in the workflow.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 6/30/2017</p>		
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	Recommendation	Management Response	Management Follow-up Response – January 24, 2019	Management Follow-up Response – October 25, 2018

A2016-02 Permitting and Inspections

		Responsible Party: Building Official		
31	<p>Permitting and Inspections management should develop procedures to clarify expectations, including established start times and locations to begin inspections for the workday. The procedures should also give general guidance on how to conduct inspections. Once these procedures are established, Permitting and Inspections management should ensure personnel are adequately trained on them.</p> <p>The AVL technology should be fitted and fully operational on all Permitting and Inspections Department vehicles. This data should be used by management in conjunction with monitoring inspector output as a measure of overall productivity.</p>	<p>The Permitting and Inspections Department will implement policies and procedures to ensure that inspections staff have clear and concise instruction regarding daily expectations, standards for training new staff, and policies as it relates to enforcement of the NC Building Code. The AVL systems are currently installed in all inspectors' assigned vehicles. The existing AVL system could not be permanently installed without voiding the manufacturer's warranty. Reporting is currently being addressed by the Information Technology Project Manager. The inspections staff will receive training on how to review and monitor the AVL system. Additionally, the real-time resulting of inspections will help confirm inspector location.</p> <p>Implementation Date: 6/30/2017</p>	<p style="text-align: center;">Implemented</p> <p>Accountability procedures are currently in place to satisfy the process-related content of this finding.</p> <p style="text-align: center;">Implementation Date: 10/1/2018</p>	<p style="text-align: center;">Implemented</p> <p>Accountability procedures are currently in place to satisfy the process-related content of this finding.</p> <p style="text-align: center;">Implementation Date: 10/1/2018</p>

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	Recommendation	Management Response	Management Follow-up Response – January 24, 2019	Management Follow-up Response – October 25, 2018

A2016-02 Permitting and Inspections

		Responsible Party: Building Official		
32	Permitting and Inspections management should develop procedures to ensure all permitted projects are inspected or permits are properly cancelled if the permitted work is not commenced.	All full demolition permits are inspected by the Code Enforcement Division of the Planning and Code Enforcement Department. Cityworks has been modified to notify the contractor when a permit is about to expire. This modification reflects the standards of the NC Building Code with regard to permit expiration. A procedure will be developed in order to provide clear and concise instruction on how to post inspections once the permit is completed, voided, or expired. An amendment to the City Code will be proposed to reflect the standards of the NC Building Code with regard to permit expiration. <i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make</i>	<p style="text-align: center;">Implemented</p> <p>The process-related content was addressed by ordinance amendment and Cityworks modification</p> <p style="text-align: center;">Implementation Date: 10/1/18</p>	<p style="text-align: center;">Implemented</p> <p>The process-related content was addressed by ordinance amendment and Cityworks modification</p> <p style="text-align: center;">Implementation Date: 10/1/18</p>

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A2016-02 Permitting and Inspections				
		<p><i>recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 11/15/2016, with the City Code Changes to occur in January 2017</p> <p>Responsible Party: Senior Administrative Assistant (for Permitting); Building Official (for Inspections); PCE Director (for code changes and PCE policies and procedures)</p>		
33	Internal Audit recommends Permitting and Inspections management develop processes to ensure square footage and construction costs are validated prior to permit issuance and again	We agree that enhancements can be made to better confirm fee calculations from various measures, however, the proposed redundancy is unnecessary as any deviations will be caught during the inspection	<p>Implemented</p> <p>The fee schedule has been modified to reflect permit fees based upon heated and non-heated area.</p>	<p>Implemented</p> <p>The fee schedule has been modified to reflect permit fees based upon heated and non-heated area.</p>

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A2016-02 Permitting and Inspections

	<p>prior to issuance of the certificate of occupancy/compliance. The process should include recording adjustments in Cityworks and collecting or refunding any fees based on these adjustments. These processes should be documented in written policies and procedures and personnel should be trained on them.</p>	<p>process. We agree that adjustments to the Fee Schedule need to be made to simplify calculation procedures; this will require coordination with Information Technology, and such changes will be made at midyear, if possible, or proposed as part of the FY18 budget</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p>	<p>In addition to the fee schedule modification, the building inspectors have initiated a process to evaluate and compare area and value based upon footings and the current fair market value.</p> <p>Implementation Date: 10/1/2018</p>	<p>In addition to the fee schedule modification, the building inspectors have initiated a process to evaluate and compare area and value based upon footings and the current fair market value.</p> <p>Implementation Date: 10/1/2018</p>
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A2016-02 Permitting and Inspections

		<p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Building Official</p>		
34	<p>A formal written callback policy to provide guidance and direction on how to impose callback fees should be developed and communicated to contractors/home owners. In addition, Permitting and Inspections personnel should be trained on this new policy.</p>	<p>Management is writing a formal callback policy. Once this policy is completed, we will modify Cityworks so that a callback fee will be automatically issued in accordance to the policy. Once this callback policy is completed, then management will notify the contractors and train the inspectors.</p> <p><i>As it relates to the deficiencies that address the Cityworks PLL software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make recommendations on whether to continue implementation and refinement efforts or seek another PLL solution. Until the assessment is completed, only issues already identified as a part of Permitting and Inspections and Information Technology's project priority list</i></p>	<p>Implemented</p> <p>In addition to the callback fee, a policy has been implemented for staff knowledge on the consistent implementation of call-back fees.</p> <p>Implementation Date: 9/30/2018</p>	<p>Implemented</p> <p>In addition to the callback fee, a policy has been implemented for staff knowledge on the consistent implementation of call-back fees.</p> <p>Implementation Date: 9/30/2018</p>

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A2016-02 Permitting and Inspections

		<p><i>will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Implementation Date: 6/30/2017</p> <p>Responsible Party: Building Official</p>		
35	<p>Consider implementing multi-trade inspections, specifically HVAC permits, to enhance scheduling flexibility, reduce drive times and improve response times.</p>	<p>The Permitting and Inspections Department is now performing multi-trade inspections for two permit types. One is the mechanical change out permit when the mechanical inspector inspects both the mechanical and electrical installations. The other is the gas water heater permit when the plumbing inspector inspects the water heater, vent piping and the gas piping. A policy and procedure will be written to ensure both permits are ready before the inspector goes on the inspection. Management also utilizes this cross training when a trade section is shorthanded. Out of a department of 18 inspectors, we have 7 inspectors who have more than one</p>	<p>Implemented</p> <p>Current scheduling practices have been modified to support multi-trade inspections in unit installs and change outs.</p> <p>We have also developed a multi-trade permit</p> <p>Implementation Date: 10/1/18</p>	<p>Implemented</p> <p>Current scheduling practices have been modified to support multi-trade inspections in unit installs and change outs.</p> <p>We have also developed a multi-trade permit</p> <p>Implementation Date: 10/1/18</p>

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A2016-02 Permitting and Inspections				
		standard certification. Management hopes to expand this concept to more permit types as we get more inspectors certified. Implementation Date: 10/1/2016 Responsible Party: Building Official		

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A2016-06 Contract Practices and Procedures

1	<p>The Office of Internal Audit recommends management determine if the City Manager’s Office is the most appropriate department to be responsible for <i>Policy #120 City of Fayetteville General Contracting Practices and Procedure</i> based on the ability to provide oversight and management of all policy provisions and appendices. Once determined, management should designate personnel/positions responsible for the oversight and management of the policy and ensure the personnel/positions responsible have the ability to enforce contract policy provisions. This recommendation is applicable for all findings within this report and will have a direct impact on the management responses for oversight and monitoring of compliance with the policy.</p>	<p>We concur. Management is in full agreement with the recommendation.</p> <p>The approvals required and the procedures within Policy #120 City of Fayetteville General Contracting Practices and Procedure were initially assigned to the City Manager’s Office; however, after further review and evaluation, the oversight and management of the policy to include the appendices is being assigned to the Finance department. Currently, the Finance department is responsible for the Purchasing function along with playing a major role with citywide contracting. Furthermore, Policy #120 City of Fayetteville General Contracting Practices and Procedure will continue to require the City Manager to approve all delegation of contract signature authority as authorized by the City’s Code of Ordinances Chapter 2 Article III Section 2-61.</p>	<p style="color: red; text-align: center;">Partially Implemented</p> <p style="color: red;">A contract committee (parks and recreation, finance, legal, SPA, CMO, airport, and internal audit) has been created which has put into motion certain changes to the contracting process. An updated policy will be drafted and circulated/presented to SMT.</p>	<p style="color: red; text-align: center;">Partially Implemented</p> <p style="color: red;">A review and recommended changes have been presented to SMT. Finance, legal, CMO, and various city departments are finalizing certain aspects of the new policy.</p>
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A2016-06 Contract Practices and Procedures

		<p>Implementation Date: 01/31/2018</p> <p>Responsible Party: Chief Financial Officer or designee</p>		
2	<p>1. Clarification should be added to <i>Policy #120 City of Fayetteville General Contracting Practices and Procedures</i> to:</p> <p style="margin-left: 20px;">a. Define the conditions under which a purchase order is required; and</p> <p style="margin-left: 20px;">b. Require all signatures on contracts in Laserfiche be dated.</p> <p>2. Training and monitoring practices to ensure procedures are being followed by all user departments should be improved.</p> <p>3. A quality control program should be developed to help ensure purchase orders are obtained prior to purchase or start of service, and all</p>	<p>1. We concur. Management is in full agreement with the recommendation.</p> <p>To ensure full implementation and compliance, the City Manager will assign the Chief Financial Officer the responsibility to define the conditions under which a purchase order is required and to require that all signatures on contracts in LaserFiche be dated.</p> <p>2. We concur. Management is in full agreement with the recommendation.</p> <p>To ensure full implementation and compliance, the City Manager will assign the Chief Financial Officer the responsibility of providing training and monitoring practices to ensure purchase order procedures</p>	<p style="color: red;">Partially Implemented</p> <p style="color: red;">A contract committee (parks and recreation, finance, legal, SPA, CMO, airport, and internal audit) has been created which has put into motion certain changes to the contracting process. An updated policy will be drafted and circulated/presented to SMT.</p> <p style="color: red;">Training was held 11.16.18 and will continue to be held after new process/policy is developed.</p> <p style="color: red;">A quality control program is being developed and tested to ensure purchase orders are obtained prior to purchase or start of service.</p>	<p style="color: red;">Partially Implemented</p> <p style="color: red;">A review and recommended changes have been presented to SMT. Finance, legal, CMO, and various city departments are finalizing certain aspects of the new policy.</p>

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A2016-06 Contract Practices and Procedures				
	contracts are fully executed with all required approvals, signatures and the City Seal.	<p>are being followed by all user departments.</p> <p>3. We concur. Management is in full agreement with the recommendation.</p> <p>To ensure full implementation and compliance, the City Manager will assign the Chief Financial Officer the responsibility to develop a quality control program to help ensure purchase orders obtained prior to purchase or start of service, and all contracts are fully executed with all required approvals, signatures and the City Seal.</p> <p>Implementation Date: 03/31/2018</p> <p>Responsible Party: Chief Financial Officer or designee</p>		
3	1. Clarification should be added to <i>Policy #120 City of Fayetteville General Contracting Practices and Procedures</i> defining the	1. We concur. Management is in full agreement with the recommendation.	Partially Implemented A contract committee (parks and recreation, finance, legal, SPA, CMO, airport, and internal	Partially Implemented A review and recommended changes have been presented to SMT. Finance, legal, CMO, and

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A2016-06 Contract Practices and Procedures

	<p>conditions under which a contract is required;</p> <p>2. Training and monitoring practices to ensure procedures are being followed by all user departments should be improved;</p> <p>3. A quality control program should be developed to help ensure contracts are obtained prior to purchase or start of service; and</p> <p>4. Management should establish a central repository for all City contracts.</p>	<p>To ensure full implementation and compliance, the City Manager will assign the CFO the responsibility of providing clarification to Policy #120, City of Fayetteville General Contracting Processes and Procedures in an effort to define the conditions under which a contract is required.</p> <p>2. We concur. Management is in full agreement with the recommendation.</p> <p>To ensure full implementation and compliance, the City Manager will assign the CFO the responsibility of providing training and monitoring practices to ensure contract procedures are being followed by all user departments.</p> <p>3. We concur. Management is in full agreement with the recommendation.</p> <p>To ensure full implementation and compliance, the City Manager will</p>	<p style="color: red;">audit) has been created which has put into motion certain changes to the contracting process. An updated policy will be drafted and circulated/presented to SMT.</p> <p style="color: red;">A training module is being prepared and will be delivered to staff using PowerDMS.</p> <p style="color: red;">Revised Implementation Date: 3/01/2019</p> <p style="color: red;">Responsible Party: Chief Financial Officer or designee</p>	<p style="color: red;">various city departments are finalizing certain aspects of the new policy.</p> <p style="color: red;">A training module is being prepared and will be delivered to staff using PowerDMS.</p> <p style="color: red;">Revised Implementation Date: 10/01/2018</p> <p style="color: red;">Responsible Party: Chief Financial Officer or designee</p>
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A2016-06 Contract Practices and Procedures

		<p>assign the CFO the responsibility to develop a quality control program to help ensure all contracts are fully executed with all required approvals, signatures and the City Seal.</p> <p>4. We concur. Management is in full agreement with the recommendation.</p> <p>All contracts will go through contract routing and LaserFiche will serve as the contract repository.</p> <p>Implementation Date: 03/31/2018</p> <p>Responsible Party: Chief Financial Officer or designee</p>		
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A2018-01 Evidence and Property Management

1.1	<p>The Office of Internal Audit recommends management establish internal controls to ensure personnel are in compliance with North Carolina General Statutes and operating procedures. Some possible areas where internal controls should be established based on Internal Audit's observations include the following, but are not limited to:</p> <p>1. An annual audit of all areas where property and evidence are maintained, to include the Forensic Evidence Unit storage lockers and drying room located in the Public Administrative Building garage;</p>	<p>The review of the entire Police Department Evidence and Property Operating Procedure Policy is being addressed to ensure the implementation of an updated policy will cover operational and legal restrictions. The Police Department will await the research and recommendations from the City of Fayetteville Police Attorneys who have been working to find the best operating procedure policy to recommend to the Police Department. Once the recommendations have been submitted, the Police Department will update departmental operating procedure policies to ensure they are in compliance with the listed recommendations regarding of audits and inspections of the unit. The Police Department always conducts training when a new policy is updated or created for all the employees, when procedures are changed extensively it will require even more training. There are also times when the training can be</p>	<p style="text-align: center;">Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits. An unannounced internal inspection was completed on September 19- October 12, 2018 by the Forensics Manager and Forensics Supervisor. A final report has been submitted to the Chief of Police. An announced inspection was completed on September 26, 2018. A final</p>	<p style="text-align: center;">Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. By December 2018, the Fayetteville Police Department Evidence and Property Room will have to complete two internal audits, one announced and one unannounced. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits. An unannounced internal inspection was completed on September 19- October 12, 2018 by the</p>
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A2018-01 Evidence and Property Management				
		<p>placed on our PowerDMS platform as a video in order to be able to go back to review again as a refresher training when employees have deficiencies.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>report has been submitted to Chief of Police.</p> <p>After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, a new policy has been drafted that that directly reflects the Property Room Management / Inspection and Auditing. This is meant to address the day-to-day operations inside the Property Room for consistency. The policy is currently with the Subject Matter Experts for review and finalization. There is a section in this policy that directly addresses the auditing and inspection process that was utilized by the Fayetteville Auditing Team and Executive Staff’s Guidance.</p>	<p>Forensics Manager and Forensics Supervisor. A final report will be submitted to Chief of Police for review. An announced inspection was completed on September 26, 2018. A final report will be submitted to Chief of Police for review.</p>
1.2	The Office of Internal Audit recommends management establish internal controls to ensure	The review of the entire Police Department Evidence and Property Operating Procedure Policy is being	Not Implemented	Not Implemented

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A2018-01 Evidence and Property Management

	<p>personnel are in compliance with North Carolina General Statutes and operating procedures. Some possible areas where internal controls should be established based on Internal Audit’s observations include the following, but are not limited to:</p> <p>2. Documentation representing review of the audits and inspections of the Property and Evidence Unit by management should be maintained to ensure management is aware of potential issues;</p>	<p>addressed to ensure the implementation of an updated policy will cover operational and legal restrictions. The Police Department will await the research and recommendations from the City of Fayetteville Police Attorneys who have been working to find the best operating procedure policy to recommend to the Police Department. Once the recommendations have been submitted, the Police Department will update departmental operating procedure policies to ensure they are in compliance with the listed recommendations regarding of audits and inspections of the unit. The Police Department always conducts training when a new policy is updated or created for all the employees, when procedures are changed extensively it will require even more training. There are also times when the training can be placed on our PowerDMS platform as a video in order to be able to go back to review again as a refresher</p>	<p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits.</p> <p style="color: red;">Upon completion of both the announced and unannounced inspections of the Property Room, complete reports were forwarded through the Chain of Command for review through the Chief of Police. This was completed by the middle of October 2018.</p>	<p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. By December 2018, the Fayetteville Police Department Evidence and Property Room will have to complete two internal audits, one announced and one unannounced. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits. Both inspections have been completed and the findings will be submitted to Chief of Police for review. The final policy remains under</p>
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A2018-01 Evidence and Property Management

		<p>training when employees have deficiencies.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>		<p>review by the City of Fayetteville Police Attorney.</p>
1.3	<p>The Office of Internal Audit recommends management establish internal controls to ensure personnel are in compliance with North Carolina General Statutes and operating procedures. Some possible areas where internal controls should be established based on Internal Audit’s observations include the following, but are not limited to:</p> <p>3. A special audit should be conducted for ALL types of property and evidence when there is a transition of personnel in and out of the Property and Evidence Unit;</p>	<p>The review of the entire Police Department Evidence and Property Operating Procedure Policy is being addressed to ensure the implementation of an updated policy will cover operational and legal restrictions. The Police Department will await the research and recommendations from the City of Fayetteville Police Attorneys who have been working to find the best operating procedure policy to recommend to the Police Department. Once the recommendations have been submitted, the Police Department will update departmental operating procedure policies to ensure they are in compliance with the listed recommendations regarding of audits and inspections of the unit. The Police Department always</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits.</p> <p style="color: red;">After completion of both the announced and the unannounced</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. By December 2018, the Fayetteville Police Department Evidence and Property Room will have to complete two internal audits, one announced and one unannounced. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will encompass the practices of the</p>

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A2018-01 Evidence and Property Management

		<p>conducts training when a new policy is updated or created for all the employees, when procedures are changed extensively it will require even more training. There are also times when the training can be placed on our PowerDMS platform as a video in order to be able to go back to review again as a refresher training when employees have deficiencies.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, a new policy has been drafted that that directly reflects the Property Room Management / Inspection and Auditing. This is meant to address the day-to-day operations inside the Property Room for consistency. The policy is currently with the Subject Matter Experts for review and finalization. There is a section in this policy that directly addresses “special audits” that are to be completed when there is a change of employee status in the Property Room.</p>	<p>audit team and will include both sheet to shelf and shelf to sheet style audits. The final policy remains under review by the City of Fayetteville Police Attorney.</p>
1.4	The Office of Internal Audit recommends management establish internal controls to ensure personnel are in compliance with North Carolina General Statutes and operating procedures. Some possible areas where internal controls should be established	The review of the entire Police Department Evidence and Property Operating Procedure Policy is being addressed to ensure the implementation of an updated policy will cover operational and legal restrictions. The Police Department will await the research and	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last</p>

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A2018-01 Evidence and Property Management

	<p>based on Internal Audit's observations include the following, but are not limited to:</p> <p>4. Determine the circumstances when property receipts are required, the personnel responsible to maintain them and ensure they are issued accordingly;</p>	<p>recommendations from the City of Fayetteville Police Attorneys who have been working to find the best operating procedure policy to recommend to the Police Department. Once the recommendations have been submitted, the Police Department will update departmental operating procedure policies to ensure they are in compliance with the listed recommendations regarding of audits and inspections of the unit. The Police Department always conducts training when a new policy is updated or created for all the employees, when procedures are changed extensively it will require even more training. There are also times when the training can be placed on our PowerDMS platform as a video in order to be able to go back to review again as a refresher training when employees have deficiencies.</p> <p>Responsible Party: Specialized Services Division Commander</p>	<p>available version from 2016. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits.</p> <p style="color: red;">After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, a new policy has been drafted that that directly reflects the Submitting / General Property Management. This policy addresses the submission and types of property to be submitted to the Property Room for consistency. The policy is currently with the Subject Matter Experts for review and finalization. In this policy when</p>	<p>available version from 2016. By December 2018, the Fayetteville Police Department Evidence and Property Room will have to complete two internal audits, one announced and one unannounced. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits. The final policy remains under review by the City of Fayetteville Police Attorney.</p>
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		Implementation Date: 03/10/2019	referring to issuance of property receipts and storage of property receipts, the policy refers back to FPD Property Receipts Guidelines OP 6.4 for guidance so that there is not conflicting policies and practices.	
1.5	<p>The Office of Internal Audit recommends management establish internal controls to ensure personnel are in compliance with North Carolina General Statutes and operating procedures. Some possible areas where internal controls should be established based on Internal Audit’s observations include the following, but are not limited to:</p> <p>5. Complete and accurate descriptions of property and evidence should be documented, to include completing the database fields required within RMS;</p>	<p>The review of the entire Police Department Evidence and Property Operating Procedure Policy is being addressed to ensure the implementation of an updated policy will cover operational and legal restrictions. The Police Department will await the research and recommendations from the City of Fayetteville Police Attorneys who have been working to find the best operating procedure policy to recommend to the Police Department. Once the recommendations have been submitted, the Police Department will update departmental operating procedure policies to ensure they are in compliance with the listed recommendations regarding of audits and inspections of the unit.</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits.</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. By December 2018, the Fayetteville Police Department Evidence and Property Room will have to complete two internal audits, one announced and one unannounced. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will</p>

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		<p>The Police Department always conducts training when a new policy is updated or created for all the employees, when procedures are changed extensively it will require even more training. There are also times when the training can be placed on our PowerDMS platform as a video in order to be able to go back to review again as a refresher training when employees have deficiencies.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, a new policy has been drafted that that directly reflects the Submitting / General Property Management. This policy addresses the submission and types of property to be submitted to the Property Room for consistency. The policy is currently with the Subject Matter Experts for review and finalization. In this policy it addresses the responsibility of the officers to properly annotate what the evidence is and the mandatory fields and the policy outlines the requirements of the property room staff to identify these issues and have them corrected prior to storage.</p>	<p>encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits. The final policy remains under review by the City of Fayetteville Police Attorney.</p>
1.6	The Office of Internal Audit recommends management establish internal controls to ensure personnel are in compliance with	The review of the entire Police Department Evidence and Property Operating Procedure Policy is being addressed to ensure the	Not Implemented The Police Department Evidence and Property	Not Implemented The Police Department Evidence and Property

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	<p>North Carolina General Statutes and operating procedures. Some possible areas where internal controls should be established based on Internal Audit’s observations include the following, but are not limited to:</p> <p>6. Stolen checks should be generated for ALL firearms to determine if they have been reported stolen;</p>	<p>implementation of an updated policy will cover operational and legal restrictions. The Police Department will await the research and recommendations from the City of Fayetteville Police Attorneys who have been working to find the best operating procedure policy to recommend to the Police Department. Once the recommendations have been submitted, the Police Department will update departmental operating procedure policies to ensure they are in compliance with the listed recommendations regarding of audits and inspections of the unit. The Police Department always conducts training when a new policy is updated or created for all the employees, when procedures are changed extensively it will require even more training. There are also times when the training can be placed on our PowerDMS platform as a video in order to be able to go back to review again as a refresher</p>	<p>Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. By December 2018, the Fayetteville Police Department Evidence and Property Room had completed two internal audits, one announced and one unannounced. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits. Stolen checks were completed on the firearms in the evidence room with property documentation illustrating the checks. Standard procedure is to run a stolen report for all weapons entered into evidence.</p>	<p>Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. By December 2018, the Fayetteville Police Department Evidence and Property Room will have to complete two internal audits, one announced and one unannounced. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits. Stolen checks were completed on the firearms in the evidence room with property documentation illustrating the checks. Standard procedure is to run a stolen report for all weapons entered into evidence.</p>
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		<p>training when employees have deficiencies.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p style="color: red;">This process has not changed as stated above, in the policy re-write, the Property Room staff will not accept the property without the required paperwork.</p>	
1.7	<p>The Office of Internal Audit recommends management establish internal controls to ensure personnel are in compliance with North Carolina General Statutes and operating procedures. Some possible areas where internal controls should be established based on Internal Audit's observations include the following, but are not limited to:</p> <p>7. Documentation should be maintained showing the firearm was entered in the Recovered Gun File.</p>	<p>The review of the entire Police Department Evidence and Property Operating Procedure Policy is being addressed to ensure the implementation of an updated policy will cover operational and legal restrictions. The Police Department will await the research and recommendations from the City of Fayetteville Police Attorneys who have been working to find the best operating procedure policy to recommend to the Police Department. Once the recommendations have been submitted, the Police Department will update departmental operating procedure policies to ensure they are in compliance with the listed recommendations regarding of audits and inspections of the unit.</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. By December 2018, the Fayetteville Police Department Evidence and Property Room had completed two internal audits, one announced and one unannounced. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. By December 2018, the Fayetteville Police Department Evidence and Property Room will have to complete two internal audits, one announced and one unannounced. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will</p>

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		<p>The Police Department always conducts training when a new policy is updated or created for all the employees, when procedures are changed extensively it will require even more training. There are also times when the training can be placed on our PowerDMS platform as a video in order to be able to go back to review again as a refresher training when employees have deficiencies.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits. Documentation is maintained showing the firearm was entered in the Recovered Gun File. Weapons stored in evidence longer than 2 years will be removed this file due to DCI rules.</p> <p>NO change to this, this is a process that was already in place at the time of the audit.</p>	<p>encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits. Documentation is maintained showing the firearm was entered in the Recovered Gun File. Weapons stored in evidence longer than 2 years will be removed this file due to DCI rules.</p>
1.8	<p>Additionally, the Office of Internal Audit recommends the Fayetteville Police Department review the training and guidelines given to officers/detectives on property and evidence processing, and educate them on the impact if property and evidence is not processed correctly. Refresher training should be provided to all applicable Department personnel on ALL</p>	<p>The review of the entire Police Department Evidence and Property Operating Procedure Policy is being addressed to ensure the implementation of an updated policy will cover operational and legal restrictions. The Police Department will await the research and recommendations from the City of Fayetteville Police Attorneys who have been working to find the best</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. By December 2018, the Fayetteville Police Department Evidence</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format. The Evidence and Property Room has continued to follow the last available version from 2016. By December 2018, the Fayetteville Police Department Evidence</p>

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	<p>property and evidence operating procedures.</p>	<p>operating procedure policy to recommend to the Police Department. Once the recommendations have been submitted, the Police Department will update departmental operating procedure policies to ensure they are in compliance with the listed recommendations regarding of audits and inspections of the unit. The Police Department always conducts training when a new policy is updated or created for all the employees, when procedures are changed extensively it will require even more training. There are also times when the training can be placed on our PowerDMS platform as a video in order to be able to go back to review again as a refresher training when employees have deficiencies.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>and Property Room had completed two internal audits, one announced and one unannounced. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits.</p> <p>Once the new policies have been reviewed by the SME's and are approved through the Chief's Office, training will take place both on PowerDMS and in a classroom setting at patrol assemblies to answer any questions about the new processes that are being implemented.</p>	<p>and Property Room will have to complete two internal audits, one announced and one unannounced. The City of Fayetteville Police Attorney has been consulted and the operating procedure will be updated to address the process for internal audits and inspections. It is the intention that this process will encompass the practices of the audit team and will include both sheet to shelf and shelf to sheet style audits. The final policy remains under review by the City of Fayetteville Police Attorney.</p>
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2.1	<p>Conduct a full and complete inventory of all currency to determine the amount being maintained in the Property and Evidence Unit, to include counterfeit and foreign currency. Records within RMS should be updated accordingly.</p>	<p>The implementation of this recommendation is contingent upon our research and is awaiting recommendations for the implementation of cash handling procedural processes. This will also depend on the creation of a bank account for the storage of funds and communication with the District Attorney’s Office to determine if any funds will not be able to go into the financial institution. Currently, request has been made to the Finance Department for assistance. Counterfeit money will not be able to be held in the financial institution and will for the most part be turned over to the Secret Service. Foreign currency will be discussed with the financial institution for recommendations on how to handle. With the expectation of implementing cash handling procedures and transferring the funds into a financial institution, an inventory will be conducted simultaneously and RMS will be updated accordingly.</p>	<p>Not Implemented</p> <p>The armored car options to transport money to the bank were discussed with Finance. This will not work for Fayetteville Police Department’s needs based on “evidence” related chain of custody issues. Finance personnel have requested a timeframe when the deposit of all currency into a non-interest producing account will begin. Moving the currency to the Financial Institution will trigger the 100% inventory and accountability of all currency, foreign and counterfeit included. This information was passed on to appropriate Police Department personnel for follow-up related to the overall cost.</p> <p>After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the</p>	<p>Not Implemented</p> <p>The armored car options to transport money to the bank were discussed with Finance. This will not work for Fayetteville Police Department’s needs based on “evidence” related chain of custody issues. Finance personnel have requested a timeframe when the deposit of all currency into a non-interest producing account will begin. Moving the currency to the Financial Institution will trigger the 100% inventory and accountability of all currency, foreign and counterfeit included. This information was passed on to appropriate Police Department personnel for follow-up related to the overall cost. No changes at this time.</p>
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		<p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>first draft of the new Property Room Policy, a new policy has been drafted that that directly reflects the Currency Handling Procedures. This policy outlines the process that will be followed as well as timelines put in place to ensure that all currency is transferred to a bank and not kept on site. The accounts are in place with finance and the policy is currently with the SME's for review. Once it is approved then training will need to take place with all parties.</p>	
2.2	Amend Operating Procedure 6.2 to provide clear guidance consisting of defining database fields and use of coding for all types of property and evidence in RMS; to include how debit, credit, gift or EBT cards and check or money orders should be classified and stored.	<p>This will be addressed with the updated Operating Procedure 6.2 that the City of Fayetteville Police Attorneys are currently working on.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated.</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated.</p>
2.3	Review the property and evidence items converted from Visionaire RMS to ONESolution RMS to determine if disposing is an option.	<p>This will be addressed once the renovation of the first floor of the Police Department is completed, it will allow for more physical space to</p>	<p>Partially Implemented</p> <p>The re-organization of the first floor area of the Police</p>	<p>Partially Implemented</p> <p>The re-organization of the first floor area of the Police</p>

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	<p>As these items are being disposed based on the current legal, approved procedures, the missing and inconsistent information should be reviewed and updated at that time.</p>	<p>move items off the shelf and complete an accurate inventory when we move items for management of property/evidence items and more storage evaluation for evidence. This inventory will also provide the opportunity to ensure property and evidence items in ONESolution RMS, specifically converted data, are accurate and complete.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>Department is almost complete. This will be complete in the next 30-days. The Property and Evidence Room staff is looking at organizational methods to maximize space and streamline process overall. As part of that, destruction is very important to the overall process. During the summer months, an intern was hired to assist with the research and authorship of court orders to destroy property from 2002 forward. Those orders are currently with the City of Fayetteville Police Attorneys awaiting signature from a judge. An intern was hired and completed their internship assisting with destroying of property. Police Department staff continues to work on property destruction when possible.</p> <p style="color: red;">Destruction of this property is our primary goal and a new policy has been authored that</p>	<p>Department is almost complete. This will be complete in the next 30-days. The Property and Evidence Room staff is looking at organizational methods to maximize space and streamline process overall. As part of that, destruction is very important to the overall process. During the summer months, an intern was hired to assist with the research and authorship of court orders to destroy property from 2002 forward. Those orders are currently with the City of Fayetteville Police Attorneys awaiting signature from a judge. An intern was hired and completed their internship assisting with destroying of property. Police Department staff continues to work on property destruction when possible.</p>
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			addresses only the Removal / Release / Destruction Procedures outlined by the legal team. This policy will eventually aid in the transition of property for destruction. It will not give clear guidance to the process required by NC General Statute and the Fayetteville Police Legal Team.	
2.4	For all other items required to be maintained, management should determine if the costs of using resources to “clean up” the data in ONESolution RMS for property and evidence outweigh the risk of missing and inconsistent data. Once management determines what risks are unacceptable, a process should be established to update any data for which an update is considered necessary.	This process of “clean up” involves a transition of information that occurred 7-8 year ago from an outdated RMS program to the OneSolution RMS program being used. The transition was done in such a manner that all the data was not transitioned clearly enough to verify the items. A quote will have to be acquired from a vendor working with IT to determine recommendation if it is even possible, feasibility and the financial impact before this can be completed. Responsible Party: Specialized Services Division Commander Implementation Date: 03/10/2019	Not Implemented Currently, a quote has not been received to determine costs to have this information within OneSolution RMS cleaned up because destruction orders are being prepared for the older property and many of these items are included in this process. No change	Not Implemented Currently, a quote has not been received to determine costs to have this information within OneSolution RMS cleaned up because destruction orders are being prepared for the older property and many of these items are included in this process. No change

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3.1	Management should consider having RMS Administration supervised by the Information Technology Department. This should not only alleviate the current conflict of interest but would allow personnel to supervise this position with knowledge of the need for segregation of duties, access controls and security over RMS.	The RMS Administrator’s function and oversight is not a conflict of interest regarding segregation of duties. We do agree including additional personnel to support the RMS Administrators functions in order to not have a single point of failure if they are away.	Management did not concur and will not be implementing this recommendation.	Management did not concur and will not be implementing this recommendation.
3.2	Management should implement formal written procedures for software user account management to include developing a process to periodically review the access list and identify authorized users of RMS and specify access rights.	We will ensure we follow the City of Fayetteville’s Information Technology standards for the maintenance of software user account management. We have already began developing an accountability form for each employee which will determine the user rights and restrictions depending on their position within the department. As the Property and Evidence Operational Procedures policy is established, we will determine if the written procedure needs to be included in that policy. As personnel move throughout the department an updated form for	Partially Implemented This process is still being worked on, but as part of the process, when employees within the Fayetteville Police Department leave the agency or are transferred within the agency, they now have to out process through the RMS Manager and their rights are changed or removed. A policy has been drafted and is awaiting the Police Chief’s signature outlining the process for removing former employees from all user accounts.	Partially Implemented This process is still being worked on, but as part of the process, when employees within the Fayetteville Police Department leave the agency or are transferred within the agency, they now have to out process through the RMS Manager and their rights are changed or removed. A policy has been drafted and is awaiting the Police Chief’s signature outlining the process for removing former employees from all user accounts.

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		<p>identifying authorized users of RMS will be updated. Responsible Party: Specialized Services Division Commander Implementation Date: 03/10/2019</p>		
3.3	<p>Management should check with Superior to determine if RMS can be updated to assign the PR# after the record has been saved. If not, management should look at the process which allows Department personnel to cancel out of a record after the PR# has been assigned to determine if a change in the process could prevent the need for Department personnel to cancel out of the record. If a process cannot be established to prevent this, determine if a process can be implemented which would allow approval and tracking when a record is canceled after the PR# has been assigned.</p>	<p>We have confirmed the software does not have any options outside the process we have implemented. We have established a process and approval/tracking system that will ensure the person updating the error is the actual person submitting the evidence. Management will also attempt to determine what the commonality of the errors were (3,572 PR#'s). Whereas, management will review discrepancies to attempt to reduce the errors and improve efficiency, reduce rework. Responsible Party: Specialized Services Division Commander Implementation Date: 03/10/2019</p>	<p>Partially Implemented</p> <p>A process and approval/tracking system has been established that will ensure the person updating the error is the actual person submitting the evidence. Management is analyzing the errors to determine the commonality. No change</p>	<p>Partially Implemented</p> <p>A process and approval/tracking system has been established that will ensure the person updating the error is the actual person submitting the evidence. Management is analyzing the errors to determine the commonality. No change</p>
4.1	<p>Continue to research the whereabouts of the two items</p>	<p>When items are missing and unable to be located, the chain of command</p>	<p>Implemented</p>	<p>Implemented</p>

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	missing and notify the courts and attorneys as deemed necessary.	will be notified with a memorandum and a supplemental report will be established and entered for records. The process of notifications will include any courts or attorneys which need notification related to an investigation. Responsible Party: Specialized Services Division Commander Implementation Date: 03/10/2019	While locating items for destruction, these items were located and have been placed in the correct locations and updated in RMS.	While locating items for destruction, these items were located and have been placed in the correct locations and updated in RMS.
4.2	Procedures for notifying management, to include Police Attorney, should be established when property and evidence is designated missing.	When items are missing and unable to be located, the chain of command will be notified with a memorandum and a supplemental report will be established and entered for records. The process of notifications will include any courts or attorneys which need notification related to an investigation. Responsible Party: Specialized Services Division Commander Implementation Date: 03/10/2019	Implemented A process has been established when items are missing and unable to be located.	Implemented A process has been established when items are missing and unable to be located.
4.3	Quarterly audits for high-risk items, cash, firearms, narcotics and	Random quarterly audits are important for high value items and	Not Implemented	Not Implemented

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	<p>jewelry, should be considered until steps can be taken to improve data integrity and reduce the inventory level of property and evidence through the disposal process.</p>	<p>the property room as a whole. Upon the completion of Operating Procedure 6.2 this will be evaluated to determine if we will restrict this to only the high risk items or include more random audits for the entire Property and Evidence Unit.</p> <p>As the City of Fayetteville Police Attorneys are researching and evaluating other operating procedural policies to make recommendations for changes. The operating procedural policy will address the manner in which audits are completed.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated, whereas, this will be addressed in the updated policy. After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, a new policy has been drafted that that directly reflects the Property Room Management / Inspection and Auditing. This is meant to address the day-to-day operations inside the Property Room for consistency. The policy is currently with the Subject Matter Experts for review and finalization. There is a section in this policy that directly addresses the auditing and inspection process that was utilized by the Fayetteville Auditing Team and Executive Staff's Guidance</p>	<p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated, whereas, this will be addressed in the updated policy. The final policy remains under review by the City of Fayetteville Police Attorney.</p>
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5.1	<p>The Office of Internal Audit recommends management amend written operating procedures to ensure consistency and reliability of information and provide adherence to laws and regulations. Additionally, not only should management amend the operating procedures specifically referred to in this audit, but all operating procedures in which evidence and property management is addressed. The procedures should be amended to include sufficient guidance to allow an individual who is unfamiliar with the operations to perform the necessary activities. Finally, subject matter experts should be included in updating and reviewing the procedures to ensure only attainable and realistic requirements are included.</p> <p>Some possible improvements to operating procedures based on Internal Audit’s observations include the following, but are not limited to:</p>	<p>The updated Operating Procedure 6.2 will clearly identify these matters and the Evidence Room Staff will be tasked with following those processes and checking for accuracy.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. The Property and Evidence Room staff does a visual review to ensure accuracy to the data that is inputted.</p> <p style="color: red;">After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction Procedures, Submitting / General Property Management, Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. The Property and Evidence Room staff does a visual review to ensure accuracy to the data that is inputted. The final policy remains under review by the City of Fayetteville Police Attorney.</p>
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	1. Specific requirements should be listed to ensure sufficient and consistent descriptions are documented for all property and evidence;		actions involving property and evidence.	
5.2	The Office of Internal Audit recommends management amend written operating procedures to ensure consistency and reliability of information and provide adherence to laws and regulations. Additionally, not only should management amend the operating procedures specifically referred to in this audit, but all operating procedures in which evidence and property management is addressed. The procedures should be amended to include sufficient guidance to allow an individual who is unfamiliar with the operations to perform the necessary activities. Finally, subject matter experts should be included in updating and reviewing the procedures to ensure	The updated Operating Procedure 6.2 will clearly identify these matters and the Evidence Room Staff will be tasked with following those processes and checking for accuracy. Responsible Party: Specialized Services Division Commander Implementation Date: 03/10/2019	Not Implemented The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. The Property and Evidence Room staff does a visual review to ensure accuracy to the data that is inputted After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction Procedures, Submitting / General Property Management, Currency Handling Procedures,	Not Implemented The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. The Property and Evidence Room staff does a visual review to ensure accuracy to the data that is inputted. The final policy remains under review by the City of Fayetteville Police Attorney.

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	<p>only attainable and realistic requirements are included.</p> <p>Some possible improvements to operating procedures based on Internal Audit’s observations include the following, but are not limited to:</p> <p>2. Clear realistic expectations of personnel’s responsibilities to ensure the accuracy of the description, type, and amount of property should be clarified;</p>		<p>Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various actions involving property and evidence.</p>	
5.3	<p>The Office of Internal Audit recommends management amend written operating procedures to ensure consistency and reliability of information and provide adherence to laws and regulations. Additionally, not only should management amend the operating procedures specifically referred to in this audit, but all operating procedures in which evidence and property management is addressed. The procedures should be amended to include sufficient guidance to</p>	<p>The procedures will be updated to reflect that the responsible Officers will weigh narcotics prior to being packaged and entered into the Property and Evidence Room. If the narcotics are forwarded to the laboratory then the lab will be responsible for the accurate measuring of the narcotics. If the narcotics do not go to the laboratory, then the responsible officer’s weight prior to being packaged will be used as the weight on record.</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated.</p> <p>After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored:</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. The final policy remains under review by the City of Fayetteville Police Attorney.</p>

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	<p>allow an individual who is unfamiliar with the operations to perform the necessary activities. Finally, subject matter experts should be included in updating and reviewing the procedures to ensure only attainable and realistic requirements are included.</p> <p>Some possible improvements to operating procedures based on Internal Audit's observations include the following, but are not limited to:</p> <p>3. Address how the weight of narcotic evidence is to be determined and the requirements for determining the weight if the narcotic evidence does not go to a laboratory;</p>	<p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>Removal / Release / Destruction Procedures, Submitting / General Property Management, Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various actions involving property and evidence.</p>	
5.4	<p>The Office of Internal Audit recommends management amend written operating procedures to ensure consistency and reliability of information and provide adherence to laws and regulations.</p>	<p>The updated Operating Procedure 6.2 will accurately address these concerns and implementation will be monitored by the Evidence Room Staff.</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being</p>

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	<p>Additionally, not only should management amend the operating procedures specifically referred to in this audit, but all operating procedures in which evidence and property management is addressed. The procedures should be amended to include sufficient guidance to allow an individual who is unfamiliar with the operations to perform the necessary activities. Finally, subject matter experts should be included in updating and reviewing the procedures to ensure only attainable and realistic requirements are included.</p> <p>Some possible improvements to operating procedures based on Internal Audit's observations include the following, but are not limited to:</p> <p>4. Update procedures on the process change of using laboratories other than SBI;</p>	<p>The City of Fayetteville Police Attorneys are reviewing the Operating Procedure Policy for recommendations to updating to ensure this will address the procedure for items entering Property. Property will not be accepted into the evidence room without all field completed or addressed in RMS. This will be the submitting officer's responsibility to complete.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>updated. The Property and Evidence Room is currently operating from the March 2016 version.</p> <p>After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction Procedures, Submitting / General Property Management, Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various actions involving property and evidence.</p>	<p>updated. The Property and Evidence Room is currently operating from the March 2016 version. The final policy remains under review by the City of Fayetteville Police Attorney.</p>
5.5	The Office of Internal Audit recommends management amend	The updated Operating Procedure 6.2 will accurately address these	Not Implemented	Not Implemented

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	<p>written operating procedures to ensure consistency and reliability of information and provide adherence to laws and regulations. Additionally, not only should management amend the operating procedures specifically referred to in this audit, but all operating procedures in which evidence and property management is addressed. The procedures should be amended to include sufficient guidance to allow an individual who is unfamiliar with the operations to perform the necessary activities. Finally, subject matter experts should be included in updating and reviewing the procedures to ensure only attainable and realistic requirements are included.</p> <p>Some possible improvements to operating procedures based on Internal Audit's observations include the following, but are not limited to:</p> <p>5. Clarify what types of property and evidence can be opened to</p>	<p>concerns and implementation will be monitored by the Evidence Room Staff.</p> <p>The City of Fayetteville Police Attorneys are reviewing the Operating Procedure Policy for recommendations to updating to ensure this will address the procedure for items entering Property. Property will not be accepted into the evidence room without all field completed or addressed in RMS. This will be the submitting officer's responsibility to complete.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. The Property and Evidence Room is currently operating from the March 2016 version.</p> <p>After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction Procedures, Submitting / General Property Management, Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various actions involving property and evidence.</p>	<p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. The Property and Evidence Room is currently operating from the March 2016 version. The final policy remains under review by the City of Fayetteville Police Attorney.</p>
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	include the persons allowed to open each specific type of property and evidence;			
5.6	<p>The Office of Internal Audit recommends management amend written operating procedures to ensure consistency and reliability of information and provide adherence to laws and regulations. Additionally, not only should management amend the operating procedures specifically referred to in this audit, but all operating procedures in which evidence and property management is addressed. The procedures should be amended to include sufficient guidance to allow an individual who is unfamiliar with the operations to perform the necessary activities. Finally, subject matter experts should be included in updating and reviewing the procedures to ensure only attainable and realistic requirements are included.</p>	<p>The updated Operating Procedure 6.2 will accurately address these concerns and implementation will be monitored by the Evidence Room Staff.</p> <p>The City of Fayetteville Police Attorneys are reviewing the Operating Procedure Policy for recommendations to updating to ensure this will address the procedure for items entering Property. Property will not be accepted into the evidence room without all field completed or addressed in RMS. This will be the submitting officer's responsibility to complete.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. The Property and Evidence Room is currently operating from the March 2016 version.</p> <p>After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction Procedures, Submitting / General Property Management, Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. The Property and Evidence Room is currently operating from the March 2016 version. The final policy remains under review by the City of Fayetteville Police Attorney.</p>

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	Some possible improvements to operating procedures based on Internal Audit’s observations include the following, but are not limited to: 6. Review and update operating procedures for areas impacted when ONESolution RMS was implemented.		material and help identify who is responsible for the various actions involving property and evidence.	
6	Management should review and update the operating procedure as deemed applicable to ensure Department personnel understand the importance of the guidelines related to biohazard labeling and appropriate storage of food and liquid beverages.	The Evidence Room Operating Policy re-write and the follow through and implementation of that policy. Responsible Party: Specialized Services Division Commander Implementation Date: 03/10/2019	Not Implemented The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. The Property and Evidence Room is currently operating from the March 2016 version. After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction	Not Implemented The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. The Property and Evidence Room is currently operating from the March 2016 version. The final policy remains under review by the City of Fayetteville Police Attorney.

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			Procedures, Submitting / General Property Management, Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various actions involving property and evidence.	
7.1	If currency continues to be maintained in the Property and Evidence Unit, Internal Audit recommends management consider maintaining the currency in fireproof safes.	A review of cost to purchase and implement a camera system and an appropriate fire proof safe is being researched. The primary focus is to remove the bulk of the currency to a non-interest bearing bank account. Responsible Party: Specialized Services Division Commander Implementation Date: 03/10/2019	Not Implemented The Property and Evidence Room staff has received a quote to have a fire proof safe installed into the Fayetteville Police Department Evidence Room. This will be purchased after construction of the first floor is complete to ensure that there is sufficient room for the safe as well as putting it in place one time and not having to move the very heavy item a second time. Evidence Supervisor is awaiting quotes from various companies on the proper safe.	Not Implemented The Property and Evidence Room staff has received a quote to have a fire proof safe installed into the Fayetteville Police Department Evidence Room. This will be purchased after construction of the first floor is complete to ensure that there is sufficient room for the safe as well as putting it in place one time and not having to move the very heavy item a second time. Evidence Supervisor is awaiting quotes from various companies on the proper safe.

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			After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction Procedures, Submitting / General Property Management, Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various actions involving property and evidence.	
7.2	In addition, Internal Audit recommends working cameras be installed and utilized to provide surveillance in all areas where property and evidence are stored.	A review of cost to purchase and implement a camera system and an appropriate fire proof safe is being researched. The primary focus is to remove the bulk of the currency to a non-interest bearing bank account. Responsible Party: Specialized Services Division Commander	Implemented The camera install was completed on October 10, 2018 and all are operational.	Not Implemented The camera install was completed on October 10, 2018 and all are operational.

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8	Management should determine if these delays in time between when the property and evidence was seized and turned over to the Property and Evidence Unit’s custody appear reasonable and appropriate. If it appears appropriate, management should ensure the process is sufficient to safeguard the items and ensure the integrity of the chain of custody is maintained.	<p>Implementation Date: 03/10/2019</p> <p>The Police Department conducted the research regarding the listed items found the following:</p> <ul style="list-style-type: none"> • Reviewed all cases that were identified by the audit team and each case was a prolonged narcotic investigation that began on a date but continued for a length of time afterward. • As the officers continued the investigation, they would purchase narcotics or complete a search warrant and seize items on a date that was different from the original report. • The officer entering those items into the Evidence Module would allow the system to auto-populate the location and date and time in the evidence module, the error occurs here because the system pulls in the original reporting information from the first report. • The evidence staff has been trained and instructed not to accept 	Implemented	Implemented
			This matter has been corrected and discussions with the chain of commands have been made. The Property and Evidence Room Staff has been instructed that if there is a delay in property being entered into RMS and then turned into the evidence room for storage they are to not accept the property until it is corrected.	This matter has been corrected and discussions with the chain of commands have been made. The Property and Evidence Room Staff has been instructed that if there is a delay in property being entered into RMS and then turned into the evidence room for storage they are to not accept the property until it is corrected.

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		<p>this and have the officer update the information.</p> <ul style="list-style-type: none"> • The narcotic unit has also been trained to not rely on the auto-populate feature. • No documented issues since this change. <p>If they should occur in the future and it is not a result of the above auto population process, the Evidence Room Staff will bring this to attention of the officer’s Chain of Command for correction or investigation.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>		
9	The Office of Internal Audit recommends management refer to IAPE Standard 9.6 through 9.8 on the destruction of drugs to incorporate these standards in the processes utilized by the Department, and update written	<p>The Evidence Room Operating Procedure Policy will be re-written and include the standards based on best practice.</p> <p>Responsible Party: Specialized Services Division Commander</p>	Not Implemented	Not Implemented
			In February 2018, a memorandum for record was completed that outlines the current destruction process until Operating Procedure 6.2 is updated.	In February 2018, a memorandum for record was completed that outlines the current destruction process until Operating Procedure 6.2 is updated.

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	operating procedures based on the management approved process.	Implementation Date: 03/10/2019	After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction Procedures, Submitting / General Property Management, Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various actions involving property and evidence.	updated. No change to this section.
10	Internal Audit recommends all aspects of property and evidence, including, but not limited to intake, storage and destruction undergo a review process by a supervisor or higher to ensure accurate information is recorded during the intake process; items are securely stored; items are processed correctly for disposal; and issues	All Property Staff is responsible for reviewing items and returning to employee for corrections if needed. They are the gate keepers for this information and ensuring that the information entered into RMS is accurate and complete to the best of their knowledge. The RMS Administrator is looking into the possibility of making fields	Partially Implemented The Evidence Room Staff has been empowered to identify errors in the input of data into RMS and the packaging of items for entry into the Evidence and Property Room. When errors are identified, the staff notifies the officer and the immediate Chain	Partially Implemented The Evidence Room Staff has been empowered to identify errors in the input of data into RMS and the packaging of items for entry into the Evidence and Property Room. When errors are identified, the staff notifies the officer and the immediate Chain

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	can be addressed in a timely manner.	<p>mandatory and RMS not allowing the submission until those fields were completed. The random and scheduled audits will address reviewing for all items listed in this recommendation.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>of Command to fix the errors. The disposal process continues to be reviewed to ensure it is efficient in identifying items to be destroyed, the amount of time to get the appropriate orders signed and the overall destruction of the item.</p> <p>After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction Procedures, Submitting / General Property Management, Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various actions involving property and evidence.</p>	<p>of Command to fix the errors. The disposal process continues to be reviewed to ensure it is efficient in identifying items to be destroyed, the amount of time to get the appropriate orders signed and the overall destruction of the item. No updates for this section.</p>
11.1	Management should create or amend operating procedures	The review of the entire Police Department Evidence and Property	Not Implemented	Not Implemented

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	<p>addressing matters observed during this audit. Emphasis should be placed on the classifications of property, methods of disposal, and procedures for disposition.</p> <p>1. Procedure updates for temporary removal of property from the evidence room should at a minimum include:</p> <p>a. A process for items released to court and the type of documentation required if retained;</p> <p>b. Specific procedures for transferring property and evidence items to other agencies and what documentation should be maintained;</p> <p>c. Authorization for the Forensics Unit to maintain evidence and procedures for maintenance; and</p> <p>d. Instructions for a (“checked out”) tickler file system and how follow-up should be documented.</p>	<p>Policy is being addressed to ensure the implementation of an updated policy will cover all items listed in Recommendation 11.1 – 11.6. The City of Fayetteville Police Attorneys have been working on this policy, until the policy is updated the department will continue to look at the operational issues addressed in this recommendation.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. Property and Evidence staff continues to follow the Operating Procedure put into place in March 2016.</p> <p>After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction Procedures, Submitting / General Property Management, Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various actions involving property and evidence.</p>	<p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. Property and Evidence staff continues to follow the Operating Procedure put into place in March 2016. The final policy remains under review by the City of Fayetteville Police Attorney.</p>
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11.2	<p>Management should create or amend operating procedures addressing matters observed during this audit. Emphasis should be placed on the classifications of property, methods of disposal, and procedures for disposition.</p> <p>2. There are specific observations relating to current Operating Procedure 6.2.8, but overall Internal Audit concluded, management should have a documented review process outlining steps to evaluate each item of property and evidence for disposal, to include specifying what considerations should be made, and at a minimum should include:</p> <p>a. Procedures for obtaining proper authorization for final disposition of property and evidence;</p> <p>b. Guidelines for returning items to identified owners;</p>	<p>The review of the entire Police Department Evidence and Property Policy is being addressed to ensure the implementation of an updated policy will cover all items listed in Recommendation 11.1 – 11.6. The City of Fayetteville Police Attorneys have been working on this policy, until the policy is updated the department will continue to look at the operational issues addressed in this recommendation.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. Property and Evidence staff continues to follow the Operating Procedure put into place in March 2016.</p> <p style="color: red;">After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction Procedures, Submitting / General Property Management, Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various actions involving property and evidence.</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. Property and Evidence staff continues to follow the Operating Procedure put into place in March 2016. The final policy remains under review by the City of Fayetteville Police Attorney.</p>
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	<p>c. Guidelines for disposal of items requiring special consideration;</p> <p>d. Guidelines to ensure lawful disposal of property and evidence;</p> <p>e. Reconciliations of all computerized data systems and hard-copy paperwork to reflect the final disposition of property and evidence items, including who authorized and handled the release or destruction, and to whom items were released; and</p> <p>f. Define Department personnel roles to retain property and evidence or process for disposal.</p>			
11.3	<p>Management should create or amend operating procedures addressing matters observed during this audit. Emphasis should be placed on the classifications of property, methods of disposal, and procedures for disposition.</p> <p>3. Although there are specific observations relating to the current Operating Procedure 6.2.9, Internal</p>	<p>The review of the entire Police Department Evidence and Property Policy is being addressed to ensure the implementation of an updated policy will cover all items listed in Recommendation 11.1 – 11.6. The City of Fayetteville Police Attorneys have been working on this policy, until the policy is updated the department will continue to look at</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. Property and Evidence staff continues to follow the Operating Procedure put into place in March 2016.</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. Property and Evidence staff continues to follow the Operating Procedure put into place in March 2016. The final policy remains under review by</p>

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	<p>Audit concluded that overall, when reviewing the current operating procedure, specific guidelines, procedures and methods of disposal including guidelines for unclaimed property and how property transitions to the unclaimed property process for all categories of property held in the Property and Evidence Unit did not exist. Category specific guidelines should at a minimum include:</p> <p>a. Defined officer/detective role in retaining property and evidence to ensure compliance with North Carolina General Statutes;</p> <p>b. When identification is needed and what documentation should be recorded; and</p> <p>c. When serial numbers should be verified; the form of documentation required when serial numbers are verified; and the type of disposal requiring serial numbers to be verified.</p>	<p>the operational issues addressed in this recommendation.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction Procedures, Submitting / General Property Management, Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various actions involving property and evidence.</p>	<p>the City of Fayetteville Police Attorney.</p>
11.4	<p>Management should create or amend operating procedures addressing matters observed during</p>	<p>The review of the entire Police Department Evidence and Property Policy is being addressed to ensure</p>	Not Implemented	Not Implemented

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A2018-01 Evidence and Property Management

	<p>this audit. Emphasis should be placed on the classifications of property, methods of disposal, and procedures for disposition.</p> <p>4. Procedures should include specific guidelines for valuables and sensitive items.</p> <p>a. Guidelines for disposal of firearms at a minimum should include releasing, methods of disposal, destruction and adherence to federal, state and local law;</p> <p>b. Guidelines for disposal of narcotics, at a minimum should include packaging and preparation for disposal; methods of destruction; destruction of large amounts and precautions for hazardous chemicals;</p> <p>c. Guidelines for disposal of currency and other high value items, at a minimum should include consideration for evidentiary value; accurate accounting for funds and high value items held in evidence; and methods of disposal; and</p>	<p>the implementation of an updated policy will cover all items listed in Recommendation 11.1 – 11.6. The City of Fayetteville Police Attorneys have been working on this policy, until the policy is updated the department will continue to look at the operational issues addressed in this recommendation.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. Property and Evidence staff continues to follow the Operating Procedure put into place in March 2016.</p> <p>After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction Procedures, Submitting / General Property Management, Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various actions involving property and evidence.</p>	<p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. Property and Evidence staff continues to follow the Operating Procedure put into place in March 2016. The final policy remains under review by the City of Fayetteville Police Attorney.</p>
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	d. Guidelines for biological/biohazardous items should at a minimum include compliance with all applicable state and local environmental health concerns; and use of qualified/approved disposal vendors and disposal sites.			
11.5	<p>Management should create or amend operating procedures addressing matters observed during this audit. Emphasis should be placed on the classifications of property, methods of disposal, and procedures for disposition.</p> <p>5. The Office of Internal Audit recommends management establish internal controls to ensure personnel are in compliance with North Carolina General Statutes. Some possible areas where internal controls should be established based on Internal Audit’s observations include the following, but are not limited to:</p>	<p>The review of the entire Police Department Evidence and Property Policy is being addressed to ensure the implementation of an updated policy will cover all items listed in Recommendation 11.1 – 11.6. The City of Fayetteville Police Attorneys have been working on this policy, until the policy is updated the department will continue to look at the operational issues addressed in this recommendation.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. Property and Evidence staff continues to follow the Operating Procedure put into place in March 2016.</p> <p>After completion of both the announced and the unannounced inspections at the end of 2018 as well as the completion of the first draft of the new Property Room Policy, several new policies have been authored: Removal / Release / Destruction Procedures, Submitting / General Property Management,</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. Property and Evidence staff continues to follow the Operating Procedure put into place in March 2016. The final policy remains under review by the City of Fayetteville Police Attorney.</p>

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	<p>a. Publication should state the items will be “sold or disposed of” or “sold or otherwise disposed of”; and</p> <p>b. Auction proceeds should be distributed to the Cumberland County Board of Education within 30 days after the sale.</p>		<p>Currency Handling Procedures, Property Room Management / Inspection / Auditing. This allows for ease of review the material and help identify who is responsible for the various actions involving property and evidence.</p>	
11.6	<p>Management should create or amend operating procedures addressing matters observed during this audit. Emphasis should be placed on the classifications of property, methods of disposal, and procedures for disposition.</p> <p>6. Any amendment to current procedures should account for obsolete practices and be consistent with federal, state, and local requirements. In addition, procedures should speak to federal, state and local retention requirements for each category of property and evidence; and should include a review of ALL operating procedures to ensure consistency as</p>	<p>The review of the entire Police Department Evidence and Property Policy is being addressed to ensure the implementation of an updated policy will cover all items listed in Recommendation 11.1 – 11.6. The City of Fayetteville Police Attorneys have been working on this policy, until the policy is updated the department will continue to look at the operational issues addressed in this recommendation.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. Property and Evidence staff continues to follow the Operating Procedure put into place in March 2016.</p>	<p>Not Implemented</p> <p>The Police Department Evidence and Property Operating Procedure is currently still in draft format and is being updated. Property and Evidence staff continues to follow the Operating Procedure put into place in March 2016. The final policy remains under review by the City of Fayetteville Police Attorney.</p>

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A2018-01 Evidence and Property Management

	it relates to property and evidence and the disposal process.			
12	Management should develop and implement a strategic plan to address the increasing levels of property and evidence maintained by the Property and Evidence Unit, and the possible need of additional facilities to store property and evidence.	<p>The Fayetteville Police Department is currently in the process of re-design associated with various areas of the police administrative building and this includes the evidence section. The City of Fayetteville Police Attorneys will assist in addressing the issues and allow Property Room Staff to operate with the guidelines that he has established in accordance with state and federal laws.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>Not Implemented</p> <p>The redesign of the Fayetteville Police Department is approximately 30-days from completion which will allow for a higher than normal volume of property contained within the Property and Evidence Room. The additional space for evidence is still being developed. The identified locations have been cleared and in the process of being reconfigured to receive evidence.</p> <p>The areas have become available to the Property Room and some work has been done to ensure this transition is ready to be completed. The Fayetteville Police Department is the final stages of changes to the storage mechanism and policies that will aid in spacing.</p>	<p>Not Implemented</p> <p>The redesign of the Fayetteville Police Department is approximately 30-days from completion which will allow for a higher than normal volume of property contained within the Property and Evidence Room. The additional space for evidence is still being developed. The identified locations have been cleared and in the process of being reconfigured to receive evidence.</p>

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A2018-03 Police Department Confidential Funds

1	<p>The Police Department personnel should assess the reporting and review process for confidential funds and take steps to correct any deficiencies in the process to ensure departmental objectives are achieved and departmental responsibilities are met. The process should be well documented in operating procedures so as to set forth requirements and expectations; to ensure consistency and reliability of information; and to provide adherence to applicable policies, laws and regulations.</p>	<p>We concur. Management is in full agreement with the recommendation.</p> <p>Departmental personnel will regularly review the process and document during their monthly reconciliation of confidential funds to ensure departmental objectives are achieved and the departmental policies are effective and efficient. Additionally, the Captain over the Narcotics Unit will be responsible for ensuring the process is reviewed and documentation is submitted in a timely manner no later than two months after the monthly reconciliation.</p> <p>Responsible Party: Captain over Narcotics Unit</p> <p>Implementation Date: Effective immediately, this process will begin and continue to be prioritized for accuracy and compliance.</p>	<p>The Office of Internal Audit is currently performing the annual Police Department Confidential Funds audit. Internal Audit anticipates presenting the follow-up to the findings at the quarterly Audit Committee meeting on April 25, 2019.</p>	<p>Partially Implemented</p> <p>The Police Department is still researching industry “best practices” in considering a policy change that would specify an exact timeframe for confidential fund reconciliation reports. It should be noted the PD currently does not recommend a specific timeframe be implemented due to the possibility of unforeseen delays and the potential to violate this policy. An example would be any natural disaster like the recent hurricane which could prevent these reports from being forwarded.</p> <p>However, the Police Department has conducted a review of the reconciliation process and has removed several steps in order to expedite the forwarding of reconciliation reports. This new process has proven to be more efficient while ensuring the</p>
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A2018-03 Police Department Confidential Funds

				integrity and accountability of the review process are maintained. This new streamlined process has resulted in reconciliation reports being completed/reviewed in under the suggested 60 days.
2	The Police Department personnel should update operating procedures regarding the transfer of confidential funds (buy money) to/from the Evidence Room and RMS. The operating procedures should include management oversight independent of the confidential funds process to perform periodic audits of the transfers to/from the Evidence Room to ensure confidential funds are accounted for and reconcile to the Evidence Room records.	<p>Management concurs.</p> <p>FPD Explanation: The Evidence and Property Management Section is conducting a 100% inventory of currency due to restrictions generated from our antiquated hand written evidence card system used prior to 2011. By conducting this inventory and updating RMS there will no longer be a need to sign the older evidence card when a transfer of funds is conducted. With each individual item receiving a barcode all items will be scanned in the system, signed by an evidence clerk and the person receiving the transfer. A copy will be presented to the individual receiving the transfer. When the item is transferred the Evidence section</p>	The Office of Internal Audit is currently performing the annual Police Department Confidential Funds audit. Internal Audit anticipates presenting the follow-up to the findings at the quarterly Audit Committee meeting on April 25, 2019.	<p>Partially Implemented</p> <p>We are currently still operating under the need for a court order, per legal guidance, to return money from the Fayetteville Police Department Evidence Room to the owner. This includes returning money back to the Narcotic Unit. The updated policy may address this change in practice to include the narcotic unit being able to retrieve this money sooner but currently we don't have that process in place. We are in the process of obtaining court orders to give adjudicated funds to the school board and return confidential funds to the narcotic or other units. The</p>

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A2018-03 Police Department Confidential Funds

		<p>will ensure that all boxes in RMS have been updated to reflect the transfer is complete. Page 6 of 7</p> <p>FPD Solution: FPD will update Operating Procedure 6.2, Evidence and Property Management to identify management oversight independent of the confidential funds process. The Technical Services Unit Supervisor will include an audit sampling of the transfers to/from the Evidence Room to be documented in the Monthly Evidence Room Inspection Report. Training on the revised policies will be provided to all personnel assigned to the Property and Evidence function.</p> <p>Responsible Party: Evidence Lieutenant</p> <p>Implementation Date: February 1, 2016</p>		<p>Evidence room is currently in the 2013 time period. To date we have returned 15 cases totaling \$1385.00 and have an additional 6 cases that we just received the court orders back to return an additional \$2150.00 to the narcotics unit.</p>
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