



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

AGENDA

1. Call to Order
2. Welcome Evelyn Shaw, PWC Chairperson
3. Introduction of New Internal Audit Team Member, Amanda Rich
4. Approval of Agenda
5. Approval of Meeting Minutes
6. Request Special Meeting for the purpose of RSM presenting the FY2018-2019 Financial Audit (*Requested by Jay Toland, Chief Financial Officer*)
7. Internal Audit Activities (*Presented by Elizabeth Somerindyke, Internal Audit Director*):
 - a. Residential Solid Waste Fees Audit (A2019-04)
8. Other Business
 - a. Annual Audit Plan Proposed Engagements for FY2020
 - b. Internal Audit Annual Report FY2019
9. Quarterly Management Implementation Status Report
10. Adjournment

Attachments:

- a) Draft Meeting Minutes – August 8, 2019
- b) Residential Solid Waste Fees Audit Report A2019-04
- c) Annual Audit Plan FY 2020
- d) Internal Audit Annual Report FY 2019
- e) Quarterly Management Implementation Status Report 1st Quarter FYE20

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**AUDIT COMMITTEE QUARTERLY MEETING MINUTES
LAFAYETTE CONFERENCE ROOM, 1st FLOOR
CITY HALL, 433 HAY STREET, FAYETTEVILLE
WEDNESDAY, AUGUST 8, 2019
3:00 P.M.**

Committee Members Present: Darsweil Rogers, PWC Chairman (Via telephone)
Council Member Dawkins
Council Member Crisp
Council Member Larry Wright (Arrived at 3:27 p.m.)
Amy Samperton, FTCC Director of Procurement & Equipment

Committee Members Absent: Dr. Pamela Jackson, FSU Provost

Others Present:

Staff Present:

Douglas Hewett, City Manager
Karen McDonald, City Attorney
Telly Whitfield, Assistant City Manager
Elizabeth Somerindyke, Internal Audit Director
Rose Rasmussen, Senior Internal Audit
Jay Toland, Interim Chief Financial Officer
Gerald Newton, Development Services Director
Kim Toon, Purchasing Manager
Hieu Sifford, Deputy Fire Chief
Michael Gibson, Parks, Recreation, and Maintenance Director
Jennifer Ayre, Deputy Clerk

1.0 Call to Order

Council Member Dawkins called the meeting to order at 3:01 p.m.

2.0 Approval of the Agenda

MOTION: Council Member Crisp moved to approve the agenda.

SECOND: Ms. Samperton

VOTE: UNANIMOUS (4-0)

**3.0 Approval of the Minutes
May 2, 2019**

MOTION: Council Member Crisp moved to approve the minutes from the May 2, 2019 meeting.

SECOND: Ms. Samperton

VOTE: UNANIMOUS (4-0)

4.0 Internal Audit Activities

4.01 Code Violation Enforcement and Collections Audit (A2019-06)

Ms. Rose Rasmussen, Senior Internal Auditor stated a performance audit was completed for Chapter 14: Homes, Dwellings and Buildings; Chapter 16: Motor Vehicles and Traffic; and Chapter 22: Solid Waste. The Audit was approved in the FY19 Audit Plan. Ms. Rasmussen stated development services provides enforcement of housing and nuisance code violations. The objective of the audit was to determine if the code enforcement penalties and abatement costs were properly and completely imposed following established City fees, and if internal controls were sufficient regarding the civil penalties. The scope of time reviewed was January 1, 2018 – May 15, 2019.

Finding 1: Current written policies and procedures were not all inclusive causing inconsistent enforcement of City Code violations.

Ms. Rasmussen stated the Internal Audit Department did find written policies and procedures, however, they were not comprehensive enough to provide clear guidance on all processes within code enforcement. Because enforcement is looked at on a case-by-case bases there was inconsistent enforcement. Ms. Rasmussen also stated there were differences between cases when re-inspections were completed. The Internal Audit Department recommended the following: 1) Develop comprehensive policies and procedures that provide consistent code enforcement; 2) Ensure personnel are trained on policies and procedures; and 3) Develop a documented quality review program to ensure compliance with comprehensive policies and procedures. Management concurred with the recommendations.

Finding 2: Processes were not always in compliance with the City Code of Ordinances and adopted fee schedule

Ms. Rasmussen stated in April of 2011, the City Attorney's office provided a proposal to improve code enforcement collections and the proposal was to allow for realistic penalties while stopping exorbitant penalties. This proposal was put into practice however the City Code of Ordinance were not updated to match current practices. City Code does not provide a maximum amount of days the City can issue a violation and each day is considered a new violation. Current practice states if the owner abates the issue prior to being sent to collections, the owner is charged for 1 day. If it is abated after it is sent to collections the owner is charged for 10 days. Mr. Doug Hewett, City Manager stated if the violation is not abated the City can send it to Environmental Court. If current practice is the best option, Council needs to adopt an ordinance to update the City Code.

Discussion ensued.

The Internal Audit Department recommended the following: 1) Development Services management should coordinate with the City Attorney's office to update the City Code of Ordinances as deemed necessary and ensure comprehensive policies and procedures are in agreement. Any updates to the City Code of Ordinances should ensure compliance with North Carolina General Statute; 2) Management should obtain written guidance from the City Attorney's office for the enforcement of code violations that deviate from the standard code enforcement cases; 3) Management should develop a process for reviewing the City's Code of Ordinances, as it pertains to code enforcement, to ensure updates are made as necessary. Management concurred with the recommendations.

Discussion ensued.

Finding 3: Financial oversight for code violation enforcement and collections needed improvement.

Ms. Rasmussen stated several reconciliations were completed to verify if abatement and administration fees were levied and collected. Based on the reconciliations sometimes abatement costs were waived or reduced without policy or procedures allowing for it and civil penalties were insufficiently tracked to include reporting to collections. The Internal Audit Department recommended Development Services management should coordinate with the Finance Department to develop comprehensive policies and procedures regarding the assessment and collections of abatement costs, civil penalties, and administrative fees. Management concurred with the recommendation. Mr. Gerald Newton, Development Services Director stated he and Mr. Jay Toland, Chief Financial Officer are already working on addressing the issue since the beginning of 2019.

Discussion ensued.

MOTION: Council Member Wright moved to accept the Code Violation Enforcement and Collections Audit (2019-06)

SECOND: Ms. Samperton

VOTE: UNANIMOUS (5-0)

5.0 Quarterly Management Implementation Status Report

This item was for information only and not presented.

Council Member Crisp thanked Mr. Gerald Newton for resolving the final finding from 2016 for permitting and inspections.

Council Member Wright asked if the WEX Fuel Cards findings have been resolved. Deputy Fire Chief Hieu Sifford stated the Fire Department has implemented a monthly log policy and the first set of statements for July were received this month for review.

6.0 Adjournment

There being no further business, the meeting adjourned at 3:47 p.m.

Respectfully submitted,

JENNIFER AYRE
Deputy Clerk
08082019

DARSWEIL ROGERS
Chairman



Office of Internal Audit

**Compliance Audit 2019-04
Residential Solid Waste Fees**

October 2019

Director of Internal Audit
Elizabeth Somerindyke

Senior Internal Auditor
Rose Rasmussen

Internal Auditor
Amanda Rich



OUR MISSION

Provide independent, objective assurance and consulting services designed to add value and improve the City of Fayetteville’s operations.

Director of Internal Audit
Elizabeth Somerindyke

Senior Internal Auditor
Rose Rasmussen

Internal Auditor
Amanda Rich

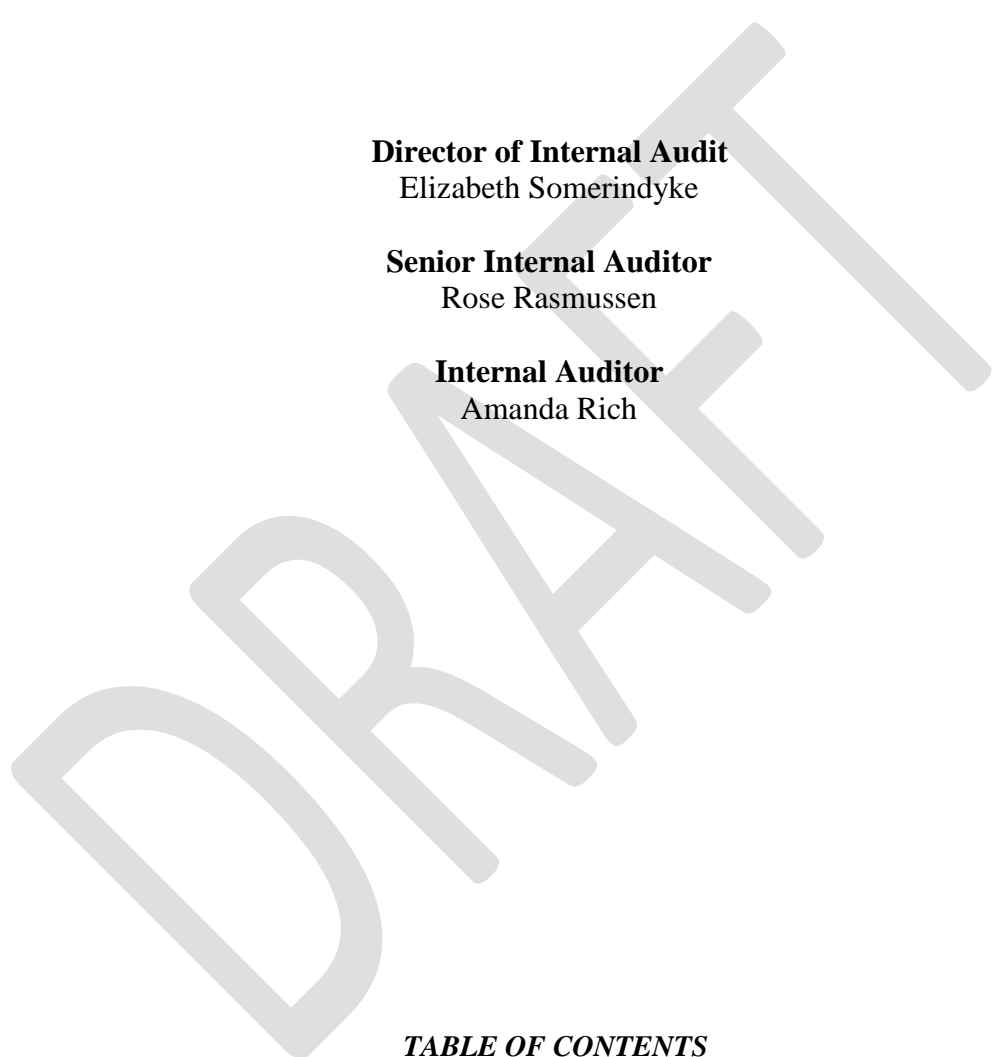


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<http://fayettevillenc.gov/government/city-departments/internal-audit>

Mailing Address: 433 Hay Street, Fayetteville, NC 28301

EXECUTIVE SUMMARY

The Office of Internal Audit conducted a performance audit of the City of Fayetteville's Public Services, residential solid waste fee. The City Code of Ordinances defines "solid waste" as the "accumulations consisting of any combination of business trash, wet or dry garbage, household trash, bulk items, yard waste and recyclables." The Solid Waste Division of the Public Services Department are required to provide residential solid waste collection, either directly or through a vendor contract, to include recycling, bulky items¹, residential and yard waste² collections to residents of the City of Fayetteville who pay the \$190 per year residential solid waste fee.

Effective July 1, 2008, City Council directed City management to create an enterprise fund for the purpose of administering a city-wide curbside recycling program. The 2008-2009 budget ordinance was adopted approving a budget of \$2.5 million in expenditures and a \$42 per year fee to be levied to fund the city-wide curbside recycling. However, the \$8.0 million expenditure budget for all other solid waste operations to include administration, bulky item, residential and yard waste collection remained accounted for in the General Fund. The accounting for the curbside recycling program remained exclusively in the Environmental Services fund until July 1, 2013.

On June 24, 2013, the 2013-14 budget ordinance was adopted approving a budget of \$10.4 million in expenditures and levying a \$38 per year solid waste services fee, expanding the accounting for all aspects of the City's solid waste services in the Environmental Services fund without increasing the residential solid waste fee to cover the expenditures that had historically been charged to the General Fund. As a result, based on the City's June 30, 2014 Comprehensive Annual Financial Report, the residential solid waste fee generated only \$2.3 million, and \$6.8 million was transferred from the General Fund to the Environmental Services fund to subsidize the City's solid waste services.

With a goal of eliminating the General Fund subsidy that had been required to support the solid waste operations since it was moved to the Environmental Services fund in fiscal year 2014, City Council adopted an increase in the 2018-2019 budget of the residential solid waste fee to \$190 per year. However, even with the \$11.5 million received in current year residential solid waste fees in fiscal year 2019, the General Fund was required to subsidize the Environmental Services fund.

The current processes, to include billing through the Cumberland County Tax Office and Fleetmind, a waste collection onboard communication system, were not integrated to ensure the City's residential solid waste fee was being levied and enforced consistently to support increasing the revenue for the Environmental Services fund and ultimately eliminating the subsidy from the General Fund. Therefore, the audit was included and approved in the Fiscal Year 2018-2019 Internal Audit Plan. The audit period covered the tax billings levied as of July 1, 2019. The objectives of the audit were to evaluate whether:

1. Residential solid waste fees were being assessed in accordance with established laws, regulations, guidelines, policies and procedures; and
2. The internal control environment related to assessing residential solid waste fees were sufficient.

This report addresses control weaknesses within the residential solid waste fee processes that negatively impacted the control environment. As a result, two findings were noted:

1. Completeness of revenue relating to the residential solid waste fees could not be measured.
2. Solid waste collections process using Fleetmind data could not be relied upon.

¹ City Code of Ordinances, Chapter 22, Section 22-10(8)(b)(4)(5) states, "bulky pickup service as described herein shall only be provided to single-family residential units."

² City Code of Ordinances, Chapter 22, Section 22-10(8)(a) states, "yard waste collection shall be provided only to single-family residential units as approved by the solid waste director or designee."

Internal Audit determined internal controls related to the residential solid waste fees needed improvement. The audit did not find evidence of intentional fraud. However, due to a lack of written departmental policies and procedures, and a lack of clarity in the City Code of Ordinances, Internal Audit could not ensure fraud, waste and abuse did not exist.

BACKGROUND

The Solid Waste Division of the Public Services Department are required to provide collection of bulky items, residential and yard waste to residents of the City of Fayetteville. Recycling is also provided to these residents by the City through a contract with Waste Management of Carolinas, Inc. The City Code of Ordinances Chapter 22, Solid Waste, Section 22-22, Solid Waste Collection Schedule and Services, states the city shall provide household trash collection and refuse,³ on a scheduled day, one time per week for residential units only and one stationary container (lodal) per week.

On March 24, 2014, City Council awarded a contract to Fleetmind Solutions, Inc. for the purchase of software and hardware related to waste collection onboard communication systems. The council action memo stated Fleetmind would be used with Route Smart, the current software used for routing efficiencies; with expected results of increased accountability by the collectors, provide seamless work order solutions, better cart control and customer service response time, which would ultimately reduce costs of the operation. The customer data in Fleetmind would be used in conjunction with Route Smart.

City Council adopted an increase of the residential solid waste fee to \$190 per year in the 2018-2019 budget with the goal to eliminate the General Fund subsidy that was required to support the solid waste operations since the Environmental Services fund began accounting for all solid waste services in fiscal year 2014. However, even with the \$11.5 million received in current year residential solid waste fees in fiscal year ending June 30, 2019, the General Fund was required to subsidize the Environmental Services fund.

The current processes, to include Fleetmind and the billing systems through the Cumberland County Tax Office, were not integrated to ensure the City's residential solid waste fee was being levied and enforced consistently to support increasing the revenue for the Environmental Services fund and ultimately eliminating the subsidy from the General Fund.

AUDIT OBJECTIVES

The objectives of the audit were to evaluate whether residential solid waste fees were being assessed in accordance with established laws, regulations, guidelines, policies, and procedures; and the internal control environment related to assessing residential solid waste fees were sufficient.

AUDIT SCOPE

The audit period covered the tax billings levied as of July 1, 2019.

Internal Audit used a complete listing of active customer addresses (61,597) from Fleetmind and compared them to the Cumberland County Tax Office listing of parcels (61,501) that had been assessed a City residential solid waste fee to determine if all households receiving City solid waste services were assessed the residential solid waste fee.

³ City Code of Ordinances, Chapter 22, Section 22-22(2), states "Refuse, other than garbage or heavy debris, from residential units only properly containerized or as prescribed by section 22-10(8) on a scheduled day, one day per week." Please see footnote (1) and (2) reflecting yard waste and bulky item collection as reflected in City Code of Ordinances, Chapter 22, Section 22-10(8).

AUDIT METHODOLOGY

In order to accomplish the objectives of the audit, the Office of Internal Audit performed, but was not limited to, the following:

- Interviewed Public Services personnel;
- Reviewed the City of Fayetteville Municipal Code of Ordinances and North Carolina General Statutes for compliance;
- Compared customer information in Fleetmind to a report from the Cumberland County Tax Office of addresses that were assessed a residential solid waste fee;
- Reviewed the Cumberland County Property Tax records;
- Conducted a physical observation of refuse containers for selected households; and
- Considered risk of fraud, waste and abuse.

FINDINGS, RECOMMENDATIONS, AND MANAGEMENT'S RESPONSES

Finding 1

Completeness of revenue relating to the residential solid waste fees could not be measured.

Criteria: Clear guidelines should be established to determine when the City should provide solid waste services and assess the residential solid waste fee.

Cause: The City Code of Ordinances Chapter 22, Solid Waste was not clear and left up to interpretation allowing for solid waste services to be provided inconsistently.

Condition: Internal Audit reviewed the City Code of Ordinances Chapter 22, Solid Waste and conducted tests to determine if residential solid waste fees were assessed to all property owners who should be receiving solid waste services. However, Internal Audit could not determine what services are included and who should be assessed the residential solid waste fee due to clarification needed in the City Code of Ordinances in the following areas:

1. Determine what solid waste services were included in the \$190 residential solid waste fee;
2. Determine if single business units or establishments were to receive solid waste collection services;
3. Determine which households were considered multi-family;
 - a. Define a 'residential unit', 'multifamily residential group development', 'multifamily group development', 'public housing complex', 'residential subdivision' and 'mobile home park', and when these would be considered part of a 'group development'; and
 - b. Define when the City provides solid waste service to separate ground level entrance units.
4. Define 'public street' or 'private street', and when solid waste services should be provided on each street type;
5. Address "opting-out" of solid waste services; and
6. Ensure the language was consistent with the adopted fee schedule.

Effect: Without clear guidance within the City's Code of Ordinances, solid waste services were provided without assessing the residential solid waste fee, residential solid waste fees were assessed when services were not provided, and the City was not providing solid waste services as defined in the City Code of Ordinances.

Recommendation

The Office of Internal Audit recommends management:

1. Solicit City Council's support on updates necessary to the City Code of Ordinances Chapter 22, Solid Waste as it will be essential to ensure adherence to the City Code of Ordinances; and
2. Coordinate with the City Attorney's office to update the City Code of Ordinances to allow solid waste services to be provided consistently and ensure the residential solid waste fees are being assessed appropriately. Any updates to the City Code of Ordinances should ensure compliance with North Carolina General Statutes.

Management's Response

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.

Management will seek council direction regarding level/scope of solid waste services. Full implementation of 'Recommendation #1' is contingent upon continuation of the 'existing' level/scope of services within solid waste division with no significant additions such as service to multi-family units or commercial facilities.

Responsible Party: Public Services Director

Implementation Date: Management will seek Council support in the format of a preliminary work session presentation by April 30, 2020 and follow up ordinance updates by September 30, 2020 contingent upon continuation of the 'existing' level/scope of services within the solid waste division.

Finding 2

Solid waste collections process using Fleetmind data could not be relied upon.

Criteria: Processes developed by management should not only ensure proper controls, safeguards and segregation of duties are in place, but that processes comply with federal, state and local requirements, when applicable. These processes should address data integrity within Fleetmind to ensure accurate information is used for route optimization.

Cause: When Fleetmind was introduced in 2014, addresses were uploaded into Fleetmind from a spreadsheet maintained by another department, and an address audit was not conducted to ensure the validity of those addresses. Adding new addresses and inactivating addresses where service should no longer be provided was a manual process completed based on notification from a resident or solid waste equipment operator. In addition, all solid waste equipment being utilized were not equipped with Fleetmind technology, and the equipment operators had to use paper routing logs with no ability to electronically report when an address needed updated in Fleetmind.

Condition: Internal Audit compared 61,597 active customer addresses in Fleetmind with a Cumberland County Tax Office listing of 61,501 parcels that had been assessed a City residential solid waste fee to determine if all households receiving City solid waste services were assessed the residential solid waste fee. Based on this comparison, the following observations were made:

1. All active customer addresses in Fleetmind were not assessed a residential solid waste fee; and
2. All addresses assessed a residential solid waste fee were not in Fleetmind as solid waste customers.

Physical observations were conducted on a sample of addresses to determine the validity of the exceptions and the following was confirmed:

1. Addresses listed as active customer addresses in Fleetmind need to be inactivated; and
2. Addresses needed to be added or activated in Fleetmind.

Effect: Without valid customer addresses in Fleetmind, the Department will not be able to utilize Fleetmind addresses to optimize the residential solid waste routes or provide an accurate count of the households in which residential solid waste services are provided. Without an accurate count of households, the City could be overpaying the vendor providing recycling collections for the City. In addition, Fleetmind data is utilized by the Solid Waste Division's webpage to determine the pickup days for a household which could provide inaccurate information if the customer addresses in Fleetmind are not valid and up to date.

Recommendation

The Office of Internal Audit recommends management:

1. Update the customer addresses in Fleetmind consistent with current routes.
2. Develop a process to add, activate and deactivate addresses in Fleetmind as needed to maintain current, accurate, valid data.
3. Develop comprehensive written policies and procedures to maintain Fleetmind data integrity, once the processes are established.

Management's Response

Please find below responses to items listed under 'Recommendation #2':

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

Management concurs with recommendations to update the customer address in Fleetmind consistent with the current routes and existing level of service. Services will be field verified and updated into Fleetmind one record at a time.

2. 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.

Management concurs with the need to develop a process to add, activate and deactivate addresses in Fleetmind to maintain a current, accurate, and valid data base. However this process is contingent upon the outcomes of 'Recommendation #1'. Further, full implementation of these processes involves compliance and cooperation from entities outside the direct control and influence of the Solid Waste Division such as CoF's Planning Division, Cumberland County and FleetMind Vendor. Implementation dates provided below are for those activities that are within the direct control and influence of the Solid Waste Division as well as what can be accomplished within Council appropriated budgetary limits.

3. 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.

Management concurs with the need to develop comprehensive written policies and procedures to maintain Fleetmind data integrity. However this process is contingent upon the outcomes of 'Recommendation #1'. Further, full implementation of these processes involves compliance and cooperation from entities outside the direct control and influence of the Solid Waste Division such as CoF's Planning Division, Cumberland County and FleetMind Vendor. Implementation dates provided below are for those activities that are within the direct control and influence of the Solid Waste Division as well as what can be accomplished within Council appropriated budgetary limits.

Responsible Party: Public Services Director

Implementation Date: Please find below implementation date for each item:

1. Public Services Solid Waste Division will update the customer address in FleetMind consistent with the current routes and existing level of service by March 31, 2020.

2. Public Services Solid Waste Division will develop a process to add, activate and inactivate addresses in Fleetmind to maintain a current, accurate, and valid data base by June 30, 2022 contingent upon management responses.
3. Public Services Solid Waste Division will develop comprehensive written policies and procedures to maintain Fleetmind data integrity by June 30, 2022 contingent upon management responses.

CONCLUSION

Internal Audit has concluded work on the audit of residential solid waste fees. Based on Internal Audit's review, the City Code of Ordinances needs updating to provide clarity on who should receive solid waste services and be assessed the residential solid waste fee. Once the City Code of Ordinances is updated, clear processes with written policies and procedures need to be established to ensure the City Code of Ordinances is being followed. Fleetmind must also be updated to reflect all active and inactive customers. The implementation of the audit recommendations should result in consistent collection of solid waste and residential solid waste fees.

Although the management responses are included in the audit 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

Amanda Rich
Internal Auditor

Distribution:

Audit Committee
Douglas J. Hewett, City Manager
Kristoff T. Bauer, Deputy City Manager
Sheila Thomas-Ambat, Public Services Director



Office of Internal Audit

Annual Audit Plan

Fiscal Year 2020

Director of Internal Audit

Elizabeth Somerindyke

Senior Internal Auditor

Rose Rasmussen

Internal Auditor

Amanda Rich

**City of Fayetteville
Office of Internal Audit
Audit Work Plan 2020**

A. Audit Projects Carried Forward from 2019 Work Plan		Estimated Hours	Total
A.1. In Progress			
	Code Enforcement Violation Enforcement	40	
	Solid Waste Fees for Multi Family	320	
A.2. For Completion			
	Permitting and Inspections Follow-up	640	
	Total Hours for Audit Projects Carried Forward from 2019 Work Plan		1000
B. New Audit Projects for 2019-2020			
	Police Department Payroll	320	
	Police Department Confidential Funds	240	
	Accounts Payable Timeliness	320	
	Vector Fleet Contract	400	
	Total Hours for New Audit Projects for 2019-2020		1280
C. Follow-up Projects for 2019-2020			
	WEX Gas Cards	400	
	Total Hours for Follow-up Projects for 2019-2020		400
D. Audit Management and Administration			
	Other City Auditor Duties	884	
	Office Management/Support	1548	
	Staff Development	200	
	Approved Holidays	280	
	Approved Employee Leave	376	
	Total Audit Management and Administration		<u>3288</u>
	Total Hours		<u><u>5968</u></u>
E. For Future Audit Projects 2019-2021			
	<i>Tags and Titles (CoF only)**</i>	40	
	<i>Community Development Housing Rehabilitation Program**</i>	960	
	<i>Small Asset Management**</i>	240	
	<i>Downtown Parking Collection**</i>	960	
	<i>Citywide Payroll Processes**</i>	960	
	<i>Body Cam Policy Compliance**</i>	480	
	<i>Off Boarding Access Rights**</i>	480	
	Code Enforcement Abatement	960	
	City's New Purchasing Process	960	
	Firehouse Billing and Receipting	640	
	Kronos Time Reporting Implementation Phases 3 & 4 ^a	640	
	Retiree Healthcare Billing and Receipting	640	
	PCI Compliance	640	
	Citywide Records Management and Retention	960	
	Sales and Use Tax Refund Administration	480	
	Citywide Succession Planning	960	
	Fleet Part Inventory	640	
	Total Hours for Future Audit Projects		<u><u>11640</u></u>

** Reflects project from prior year audit plan. Due to limited resources, project will be considered in future audit plans.

^a The Finance Department contracted with Cherry Bekaert during FY 2017 to provide consulting regarding the Kronos Time Reporting Implementation Phases 1 & 2 and the internal controls over payroll.

Audit Work Plan 2020

A. Audit Projects Carried Forward from 2019 Work Plan

A.1. In Progress

Code Enforcement Violation Collections	The audit will evaluate whether applicable code enforcement costs and fees were properly and completely invoiced following established City fee schedules and ordinances; and the internal controls were sufficient to identify risks.
Solid Waste Fees for Multi Family	The audit will evaluate whether solid waste fees were being assessed in accordance with established laws, regulations, guidelines, policies and procedures, and the internal control environment related to assessing solid waste fees were sufficient.

A.2. For Completion

Permitting and Inspections Follow-up	The audit will determine that previously identified audit findings have been remediated by management as stated in management's responses.
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B. New Audit Projects for 2019-2020

Police Department Payroll	The audit will determine if time and attendance information agrees to appropriately approved and authorized supporting documentation; including determination if supporting documentation allows for appropriate trail; payroll changes are appropriately supported, authorized, and verified; hours paid agree to the supporting documentation; and compensation was in accordance with relevant laws, regulations, guidelines, policies and procedures.
Police Department Confidential Funds	The audit will be performed due to the sensitive and volatile nature of maintaining large amounts of cash on hand and in accordance with police department policy due to accreditation requirements.
Accounts Payable Timeliness	The audit will determine if adequate controls were in place to process payments in an efficient and timely manner; review accounts payable transactions for duplicate payments; and if adequate segregation of duties and controls existed over check issuance.
Vector Fleet Contract	The audit will assess whether the system of internal controls is adequate and appropriate for effective contract compliance with selected provisions of the contract as it relates to payment.

C. Follow-up Projects for 2019-2020

WEX Gas Cards	The audit will determine that previously identified audit findings have been remediated by management as stated in management's responses.
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D. Audit Management and Administration

Other City Auditor Duties	This category describes the time that the Office of Internal Audit maintains the Fraud, Waste, and Abuse Hotline, other miscellaneous fraud reports and support of the City's ERP process.
Office Management/Support	This category describes the time that the Office of Internal Audit spends attending meetings involving the activities and responsibilities of the Audit Committee.
Staff Development	Professional staff of the City Auditor's Office is required to obtain professional education each year.
Approved Holidays	This category of leave is for approved holidays for all staff.
Approved Employee Leave	This category describes leave earned and taken each year as personal leave and leave taken for medical purposes.

Audit Work Plan 2020

E. Future Audit Projects 2019 - 2021

Tags and Titles (CoF only)**	A follow-up audit will be performed to determine that previously identified audit findings have been remediated by management as stated in management's responses.
Community Development Housing Rehabilitation Program**	The audit will evaluate whether the City had adequate controls for monitoring its Housing Rehabilitation Program sub-recipients and whether HUD rules and regulations were properly followed. Audit objectives may include a review to determine if loans were originated within defined program criteria, properly set up in the ABS loan-servicing software, and serviced in accordance with the terms of the promissory notes and/or deeds of trust; an appropriate accounting of loan origination and loan servicing activities had occurred; and all associated general ledger accounts were properly reconciled to the subsidiary ledger system.
Small Asset Management**	The audit will evaluate the adequacy of internal controls, effectiveness, and policy and procedure compliance of the City's small asset management system. Audit objectives may include a review to determine if processes adequately safeguard assets; selecting a sample to assure accuracy and agreement of inventory records and inventory on hand, and compliance with policies and procedures for multiple electronic devices and air cards.
Downtown Parking Collection**	The audit will evaluate the efficiency and effectiveness of the City's parking management contract with McLaurin Parking. Audit objectives may include an assessment of the collection program related to leased parking and parking citations, internal controls for cashier activities, and bad debt write-off policies.
Citywide Payroll Processes**	The audit will assess the adequacy of internal controls governing the City's payroll process. Audit objectives may include a review to determine if the City's payroll processes employ effective controls to reasonably assure employees are paid accurately and timely, and payment is made to legitimate City employees. The audit will include a review of JD Edward controls and the KRONOS timekeeping system.
Body Cam Policy Compliance**	The audit will evaluate whether body worn cameras were being used and executed in accordance with established laws, regulations, guidelines, policies and procedures.
Off Boarding Access Rights**	The audit will evaluate the internal controls related to IT access rights during employee off boarding process.
Code Enforcement Abatement	The audit will evaluate whether the City's lot cleaning abatement process complies with applicable policies, rules and regulations. Audit objectives may include determining if code enforcement activities for lot cleaning abatement were performed consistently in accordance with relevant laws, regulations and established policies; contracts complied with applicable policies, rules and regulations; internal controls were sufficient to identify risks; and the process for retaining independent contractors.
City's New Purchasing Process	The audit will assess the adequacy of internal controls and effectiveness of the City's new purchasing processes. Audit objectives may include a review to determine if processes are in compliance with relevant policies, procedures, laws, rules and regulations; and adequate internal controls are in place to prevent or detect material errors and irregularities.
Firehouse Billing and Receipting	The audit will evaluate if fire department billing, receipting and aged receivables were managed fairly, efficiently and effectively to recover such receivables and minimize the risk of loss. Audit objectives may include evaluating procedures to determine compliance with applicable policies and standards; and verify the accuracy and proper tracking of aged receivables and amounts due.
Kronos Time Reporting Implementation Phases 3 & 4	The audit will focus on the identification and effectiveness of automated and manual controls over the Public Safety Telestaff, FayPay (KRONOS) and JD Edwards Payroll interfaces.
Retiree Healthcare Billing and Receipting	The audit will evaluate operations related to the process for billing retirees for health insurance premiums. Audit objectives may include an assessment of procedures to determine compliance with applicable policies and standards; retiree payments collected were accurate and complied with contractual rates; and proper collection activities were in practice to ensure all monies owed have been collected.
PCI Compliance	The audit will evaluate compliance with Payment Card Industry (PCI) standards. Audit objectives may include reviewing to determine if physical access to cardholder data is restricted; policies are in place that address information security for employees; tests of the security system are performed regularly; adequate controls exist for user access; vendor supplied defaults are not used; anti-virus software or programs are used and updated regularly; cardholder and sensitive information is encrypted across public networks; adequate controls exist to protect stored data; security patches are up-to-date; and a working firewall is installed and maintained to protect data. Contracting for Information Technology knowledge to assist with the audit will be considered.

Audit Work Plan 2020

E. Future Audit Projects 2019 - 2021 (continued)

Citywide Records Management and Retention	The audit will evaluate the compliance with relevant policies, procedures, laws, rules and regulations; and adequate internal controls are in place to determine if records are adequately maintained and safeguarded.
Sales and Use Tax Refund Administration	The audit will evaluate the adequacy of internal controls related to recording and reporting sales and use tax to North Carolina Department of Revenue.
Citywide Succession Planning	The audit will gather information regarding the status of succession planning within the City of Fayetteville. Audit objectives may include providing management with information on efforts to address succession planning.
Fleet Part Inventory	The audit will assess the adequacy of internal controls to safeguard inventory and to determine if inventory was accounted for accurately. Audit objectives may include determining if adequate internal controls exist for fleet part inventory; adequate processes exist to control obsolete inventory; and whether inventory quantities were accurately reflected.

*** Reflects project from prior year audit plan. Due to limited resources, project will be considered in future audit plans.*



Office of Internal Audit

Internal Audit Annual Report

Fiscal Year 2019

Director of Internal Audit

Elizabeth Somerindyke

Senior Internal Auditor

Rose Rasmussen

Internal Auditor

Abby Cerniglia



OUR MISSION

Provide independent, objective assurance and consulting services designed to add value and improve the City of Fayetteville’s operations.

Director of Internal Audit

Elizabeth Somerindyke

Senior Internal Auditor

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

Mailing Address: 433 Hay Street, Fayetteville, NC 28301

INTRODUCTION

According to *City of Fayetteville, NC Internal Audit Charter*, the Internal Audit Director will annually report to the Audit Committee and the City Manager on the internal audit activity’s purpose, authority, responsibility and performance relative to its annual audit plan. The Internal Audit Director is also responsible for reporting significant risk exposures, control issues, fraud risks, governance issues, and other matters needed or requested by the Audit Committee and the City Manager.

PURPOSE/MISSION

The mission of the Office of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the City of Fayetteville’s operations. The Office of Internal Audit helps the City of Fayetteville’s management team accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Key Performance Measures	FY 2018 Actual	FY 2019 Actual	FY 2020 Target
% of Internal Audit recommendations accepted by management	98%	100%	100%

Acceptance of audit recommendations is an indicator of service quality. In fiscal year 2019, management accepted and provided estimated implementation dates for 35 of 35 recommendations included in five audit reports issued during the fiscal year. These results exceed the 83% industry benchmark published by the Association of Local Government Auditors.

AUTHORITY

The Office of Internal Audit shall have full, free, and unrestricted access to any and all of the City of Fayetteville’s records, physical properties and personnel pertinent to carrying out any engagement. All employees are expected to assist the Office of Internal Audit in fulfilling its roles and responsibilities. The internal auditors will also have free and unrestricted access to the City Council and the Audit Committee.

RESPONSIBILITY

Audit coverage will encompass, as deemed appropriate by the Internal Audit Director, independent reviews and evaluations of any and all management operations and activities to appraise:

- Measures taken to safeguard assets, including tests of existence and ownership as appropriate.
- Reliability, consistency, and integrity of financial and operating information.
- Compliance with policies, plans, standards, laws, and regulations that could have significant impact on operations.
- Economy and efficiency in the use of resources.
- Effectiveness in the accomplishment of the mission, objectives, and goals established for the City’s operations and projects.
- Managing and responding to the Fraud hotline.

AUDIT SERVICES

AUDITS	STATUS
<p>City-wide Travel and Training Follow-up (A2017-01F) The travel and training expenditures reviewed appeared to be for legitimate City business. However, controls for travel and training expenditures continue to require improvement to ensure compliance.</p>	<p>Report Issued October 2018</p>
<p>Parks, Recreation and Maintenance Nonresident Fees Implementation (A2016-05) Management needed 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. 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.</p>	<p>Report Issued January 2019</p>
<p>Performance Measures (A2018-04) 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. Without addressing and resolving these areas, 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.</p>	<p>Report Issued January 2019</p>
<p>Police Department Confidential Funds (A2019-01) The Police Department generally adhered to the organization's policies and procedures; applicable laws, regulations and guidelines during the period October 1, 2017 through December 31, 2018. The Police Department's VICE Investigation Division have continually reviewed and updated policies and procedures, which contributed to stronger controls and a general adherence to policies and procedures over confidential funds. However, Internal Audit noted a lack of prior written approvals as required by departmental operating procedures.</p>	<p>Report Issued May 2019</p>
<p>WEX Fuel Card Audit (A2019-05) Based on Internal Audit's review, the internal controls surrounding the fuel usage and management processes require significant improvements in order to provide reasonable assurance that the Police and Fire Departments are adequately managing the consumption of fuel and to satisfy the audit objectives. In particular, written policies and procedures should be established, followed and provide for monitoring of fuel card consumptions to ensure City funds are safeguarded. The implementation of the audit recommendations should improve the control environment of the WEX fuel card program.</p>	<p>Report Issued May 2019</p>
<p>Code Violations Enforcement and Collections (A2019-06) The audit report was presented to the Audit Committee on August 8, 2019. Based on Internal Audit's review, the internal controls surrounding the processes require improvements in order to provide reasonable assurance that continuity of operations exists. The implementation of the audit recommendations should result in consistent enforcement of code violations, to include the collection of civil penalties and abatement costs. In particular, comprehensive policies and procedures should be established, followed and provide for exceptions to the City Code of Ordinances.</p>	<p>Report Completed</p>

FRAUD, WASTE AND ABUSE INVESTIGATIONS

The Office of Internal Audit also manages suspected cases of fraud, waste and abuse reported by employees, vendors and citizens. Such cases may be reported in various ways to include: in-person, telephone, e-mail or the City’s Fraud Hotline. The City’s Fraud Hotline is operated by a third party and reports can be made anonymously either over the telephone or online.

For fiscal year 2019, there were 20 incidents reported of which 10% were reported through the Fraud Hotline. Table 1 summarizes the various types of allegations received.

TABLE 1	10%	90%	100%
ALLEGATION TYPE	HOTLINE	NON-HOTLINE	TOTAL
Accounting/Audit Irregularities	0	4	4
Conflicts of Interest	0	1	1
Falsification of Company Records	0	1	1
Fraud	1	0	1
Policy Issues	0	3	3
Substance Abuse	0	1	1
Theft of Goods/Services	1	8	9
TOTAL	2	18	20

Allegations may be investigated by the Office of Internal Audit, referred to a City department (generally for lower risk issues), referred to a non-City agency (if relating to matters outside City jurisdiction or requiring external law enforcement), and/or deemed non-actionable. Non-actionable allegations result from insufficient or dated information, prior corrective action, immateriality or inappropriate use of the Hotline. If referred to a City department, the Office of Internal Audit generally requests the department to investigate, take appropriate action and communicate the results to the Office of Internal Audit within 30 days.

Resolved allegations are categorized as: Substantiated (allegation was validated); Substantiated – No Violation (conditions cited were accurate but did not constitute a violation); Unsubstantiated; Department Resolution; or Inconclusive (available evidence is not sufficient to determine the validity of the allegation).

Table 2 summarized assignments and dispositions for allegations reported and/or resolved during fiscal year 2019.

TABLE 2	ASSIGNMENT		
DISPOSITION	REFER	INVESTIGATE	TOTAL
Department Resolution	11	0	11
Non-Actionable	N/A	1	1
Unsubstantiated	0	1	1
Open/Ongoing Allegations	0	2	2
Substantiated	0	4	4
Substantiated – No Violation	0	0	0
Inconclusive	0	1	1
TOTAL	11	9	20

The City's Fraud, Waste and Abuse Policy is intended to enhance employee awareness and reporting of suspected fraud, waste and abuse. Allegations resolved during fiscal year 2019 resulted in the following:

- Improved procedures and/or management controls;
- Employee safety improvements;
- Enhanced awareness of and/or compliance with existing regulations and/or policies governing use of time and equipment and conflict of interest; and
- Situation appropriate personnel-related actions.

LEADERSHIP AND OTHER ACCOMPLISHMENTS

The Office of Internal Audit distributed and reviewed the annual conflict of interest questionnaires provided to the Mayor, City Council, City management and a random sample of City employees as required by the City's Code of Ethics, Section 2-95(j) Conflict of Interest Questionnaire. Internal Audit personnel provided training regarding fraud, waste and abuse to approximately 148 new employees during new employee orientation (NEO). This training is on an ongoing basis; whereas, Internal Audit personnel participates in the fraud, waste and abuse training bi-weekly.

On a quarterly basis a Management Implementation Status Report was prepared and distributed to the Audit Committee members to help Committee members fulfill their responsibilities of oversight. Additionally, the Audit Committee members were presented a summary presentation from the City's external auditors regarding the annual financial report.

Internal Audit's training and career development for fiscal year 2019 included the Annual Association of Local Government Auditors Conference which not only provides training specific to local government auditors but also allows for networking with other local government auditors. Additionally, personnel continue to study for the Certified Internal Auditor certification exams. Internal Audit personnel are members of ALGA (Association of Local Government Auditors), the AICPA (American Institute of Certified Public Accountants), the NCACPA (North Carolina Association of Certified Public Accountants), the IIA (Institute of Internal Auditors) and the ACFE (Association of Certified Fraud Examiners).

SUMMARY

In summary, Internal Audit staff took on new endeavors and made a strong effort to complete as many audits and projects as possible during the past fiscal year. Internal Audits success this past fiscal year was made possible as a result of the support of the City Manager's office, and the hard work of each of the department's personnel. Over the past year the strengths and skills of Internal Audit personnel developed in a way that contributed to the success of the Office. Internal Audit strived to ensure the scope of each audit engagement added value to the organization and good customer service was provided.



MEMORANDUM

October 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 Development Services; Parks, Recreation and Maintenance; Public Services; Finance and Police Departments have been requested to attend.

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Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2019 - 2020 (1st Quarter)

<u>Audit Title</u>	<u>Date Released</u>	<u>Issued</u>	<u>Accepted</u>	<u>Recommendations</u>		
				<u>Implemented</u>	<u>Partially Implemented</u>	<u>Not Implemented</u>
Permitting and Inspections A2016-02	October 2016	35	35	35	0	0
Contract Practices and Procedures A2016-06	October 2017	3	3	3	0	0
Evidence and Property Management A2018-01	June 2018	37	36	5	30	1
Performances Measures A2018-04	January 2019	4	4	4	0	0
PRM Nonresident Fees A2016-05	January 2019	7	7	2	4	1
WEX Fuel Cards A2019-05	May 2019					
Finance Department		3	3	3	0	0
Fire Department		18	18	13	5	0
Police Department		21	21	11	10	0
Code Violation Enforcement and Collections A2019-06	August 2019	7	7	0	0	7

Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2019-2020 (1st Quarter)

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – October 24, 2019	Management Follow-up Response – August 8, 2019

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 style="color: red; font-style: italic;"><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>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 style="color: red; font-weight: bold;">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 style="color: red; font-weight: bold;">Implementation Date: 10/1/2018</p>
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Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2019-2020 (1st Quarter)

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
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A2016-02 Permitting and Inspections

		<p style="color: red;"><i>Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Responsible Party: Building Official; Senior Administrative Assistant</p> <p>Implementation Date: 6/30/2017</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 revised to account for any changes in business processes. This is particularly important when new</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 resources in order for existing and new staff to effectively perform their daily</p>	<p style="text-align: center;">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 style="color: red;">Implementation Date: 10/1/2018</p>	<p style="text-align: center;">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 style="color: red;">Implementation Date: 10/1/2018</p>

Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2019-2020 (1st Quarter)

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A2016-02 Permitting and Inspections

	<p>systems are developed and implemented or other organizational changes occur.</p>	<p>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 software, the City Manager has authorized a project assessment to evaluate the current state of Cityworks and make</i></p>		
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Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2019-2020 (1st Quarter)

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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>Responsible Party: Senior Administrative Assistant (for Permitting); Building Official (for Inspections)</p> <p>Implementation Date: 6/30/2017</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 Code; North Carolina Department of Cultural Resources Records Retention and Disposition Schedule, Fayetteville City Code,	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 and City policy and will be managed by the Senior Administrative Assistant. Permission to utilize digital records as the primary method of retaining	<p>Implemented</p> <p>Our current operating practices have been revised and a department-specific records policy has been developed.</p> <p>Implementation Date: 10/1/2018</p>	<p>Implemented</p> <p>Our current operating practices have been revised and a department-specific records policy has been developed.</p> <p>Implementation Date: 10/1/2018</p>

**Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2019-2020 (1st Quarter)**

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
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A2016-02 Permitting and Inspections

	<p>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>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><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</i></p>		
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Office of Internal Audit
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Fiscal Year 2019-2020 (1st Quarter)

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A2016-02 Permitting and Inspections				
		<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>Responsible Party: Senior Administrative Assistant</p> <p>Implementation Date: 6/30/2017</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 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,	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 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	<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

	permits, inspections and code enforcement, as provided in the Fayetteville City Code.	<p>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 FY18 budget.</p> <p>Responsible Party: City Manager</p> <p>Implementation Date: 6/30/2017</p>		
5	Permitting and Inspections personnel should ensure compliance with the Fayetteville	The City Code provides for a requirement that is no longer generally needed. Small-scale	Implemented	Implemented

**Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2019-2020 (1st Quarter)**

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A2016-02 Permitting and Inspections

	<p>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) Permits Required, then the Fayetteville City Code should be updated to reflect current requirements.</p>	<p>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>Responsible Party: Planning and Code Enforcement Director</p> <p>Implementation Date: 4/30/2017</p>	<p>Our internal processes and ordinances have been and are currently being modified to reflect the change 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>Our internal processes and ordinances have been and are currently being modified to reflect the change 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>
6	<p>Internal Audit recommends the Permitting and Inspections Department work with the Information Technology Department to develop and</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</p>	<p>Implemented</p> <p>The process-related component of this finding has been revised</p>	<p>Implemented</p> <p>The process-related component of this finding has been revised</p>

Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2019-2020 (1st Quarter)

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A2016-02 Permitting and Inspections

	<p>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.</p>	<p>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.</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>with the marking of all invalid permits.</p> <p>The procedural component has been implemented by development of a policy on how staff is to mitigate permits that have expired or are invalid.</p>	<p>with the marking of all invalid permits.</p> <p>The procedural component has been implemented by development of a policy on how staff is to mitigate permits that have expired or are invalid.</p>
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Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2019-2020 (1st Quarter)

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A2016-02 Permitting and Inspections

		<p>Responsible Party: Information Technology Information Manager</p> <p>Implementation Date: 11/30/2016 (workaround) TBD ultimate resolution</p>		
7	<p>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.</p>	<p>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 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>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 incorporate the revised development process and system.</p> <p>Completion Date: 10/1/2018</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 incorporate the revised development process and system.</p> <p>Completion Date: 10/1/2018</p>

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		<p>Responsible Party: Building Official</p> <p>Implementation Date: 10/5/2016</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>Responsible Party: Planning and Code Enforcement Director</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>
9	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	<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</p>	<p>Implemented</p> <p>All of the sub-findings within this finding have been resolved, to include 9-3 as reflected below</p> <p>9-3: Cityworks and Timmons Group were on-site on June 24th, 2019 to discuss with Internal Audit, Information</p>	<p>Implemented</p> <p>All of the sub-findings within this finding have been resolved, to include 9-3 as reflected below</p> <p>9-3: Cityworks and Timmons Group were on-site on June 24th, 2019 to discuss with Internal Audit, Information</p>

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	<p>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 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</p>	<p>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 Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></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>	<p>Technology and Development Services the implementation of the findings presented in the Permitting and Inspections Audit report, dated October 2016. The below outlines the status of implementing the inspector scheduling feature within Cityworks:</p> <ul style="list-style-type: none"> • The City's Information Technology Department in conjunction with Timmons Group is working through completing the implementation of the on-line scheduling using the Timmons Group portal; • Cityworks offered new applications (Workload and Respond) to improve the scheduling function, whereas, the scheduling function through Cityworks is not being upgraded; • The Permitting and Inspection Division (P&I) continue with the workaround allowing timely 	<p>Technology and Development Services the implementation of the findings presented in the Permitting and Inspections Audit report, dated October 2016. The below outlines the status of implementing the inspector scheduling feature within Cityworks:</p> <ul style="list-style-type: none"> • The City's Information Technology Department in conjunction with Timmons Group is working through completing the implementation of the on-line scheduling using the Timmons Group portal; • Cityworks offered new applications (Workload and Respond) to improve the scheduling function, whereas, the scheduling function through Cityworks is not being upgraded; • The Permitting and Inspection Division (P&I) continue with the workaround allowing timely
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	<p>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 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.</p>	<p>Implementation Date: 6/30/2017</p>	<p>inspections as submitted in the April 25, 2019 response. P&I acknowledges the resolution of CityWorks issues are not within their authority as an end-user of the product. IT continues to work on developing an actionable scheduling function. P&I is active in this effort and is not dependent upon this function of CityWorks. P&I worked with IT to further develop the workarounds to CityWorks by establishing more phone call service for scheduling. Management accepts the limitations of the existing CityWorks programs, has found ways to not be hampered by the delayed rollout, and expresses appreciation to the IT personnel working to resolve the issues.</p>	<p>inspections as submitted in the April 25, 2019 response. P&I acknowledges the resolution of CityWorks issues are not within their authority as an end-user of the product. IT continues to work on developing an actionable scheduling function. P&I is active in this effort and is not dependent upon this function of CityWorks. P&I worked with IT to further develop the workarounds to CityWorks by establishing more phone call service for scheduling. Management accepts the limitations of the existing CityWorks programs, has found ways to not be hampered by the delayed rollout, and expresses appreciation to the IT personnel working to resolve the issues.</p>
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			Revised Implementation Date: 1/30/2019	Revised Implementation Date: 1/30/2019
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.	<p>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 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</p>	<p style="text-align: center;">Implemented</p> <p>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.</p> <p style="text-align: center;">Implementation Date: 10/1/2018</p>	<p style="text-align: center;">Implemented</p> <p>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.</p> <p style="text-align: center;">Implementation Date: 10/1/2018</p>

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		<p>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 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>		
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		<p><i>Technology's project priority list will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Responsible Party: Senior Administrative Assistant (Permitting); Building Official (Inspections)</p> <p>Implementation Date: 11/30/2017</p>		
11	<p>The Permitting and Inspections Department should establish measurable and achievable performance goals and service standards. Permitting and Inspections management should 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</p>	<p>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 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</p>	<p>Implemented</p> <p>The department has created a policy to define what our data is, how we track our data, and how we use the data for performance measurement.</p> <p>Implementation Date: 10/1/2018</p>	<p>Implemented</p> <p>The department has created a policy to define what our data is, how we track our data, and how we use the data for performance measurement.</p> <p>Implementation Date: 10/1/2018</p>

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	<p>Department to better manage its operations and determine the appropriate balance between service level and resources.</p>	<p>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 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>Responsible Party: Senior Administrative Assistant (for Permitting); Building Official (for Inspections)</p>		
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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>Implementation Date: 6/30/2017</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 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>Responsible Party: IT Project Manager</p> <p>Implementation Date: 6/30/2017</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 integrity of data (as discussed in finding 11).</p> <p>Implementation Date: 10/1/2018</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 integrity of data (as discussed in finding 11).</p> <p>Implementation Date: 10/1/2018</p>
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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 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</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 personnel “ride-alongs” with inspectors to establish familiarity with the practical challenges of construction inspection from the perspective of certified inspectors. • Formal training in the administration of construction permitting through the Certified Permit Technician coursework developed by the NC Department of Insurance. 	<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>departments. In addition, formal training on the Cityworks software program should be instituted to provide familiarity with the system.</p>	<ul style="list-style-type: none"> • 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 the form of online courses, on-site training, and webinars offered by the software integrator and the software developer. • Annual review of relevant City and departmental policies conducted by the Senior Administrative Assistant. • Personnel from the State Licensing Board can be 		
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		<p>requested to provide periodic training on licensing issues.</p> <ul style="list-style-type: none"> 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><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>Responsible Party: Interim Permitting and Inspections Director</p> <p>Implementation Date: 6/30/2017</p>		
14	<p>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 information needed to manage the permitting and inspections processes will be available to those charged with the responsibility.</p>	<p>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 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</i></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>	<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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		<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>Responsible Party: Information Technology Project Manager</p> <p>Implementation Date: 6/30/2017</p>		
15	<p>The Office of Internal Audit recommends Permitting and Inspections management collaborate with all departments 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</p>	<p>We will coordinate with other departments to establish a program of customer training sessions. There are a variety of existing models to 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>Implemented</p> <p>The department is currently in deployment of an electronic 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>Implemented</p> <p>The department is currently in deployment of an electronic 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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	should be included in the training sessions.	<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>Responsible Party: Interim Permitting and Inspections Director</p> <p>Implementation Date: 6/30/2017</p>		
16	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	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	<p>Implemented</p> <p>While the process-related content of this finding has been mitigated, the department has also developed a policy on the</p>	<p>Implemented</p> <p>While the process-related content of this finding has been mitigated, the department has also developed a policy on the</p>

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	<p>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>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 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>issuance and maintenance of open permits.</p>	<p>issuance and maintenance of open permits.</p>
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		<p><i>will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Responsible Party: Senior Administrative Assistant</p> <p>Implementation Date: 11/30/2017</p>		
17	<p>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 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>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 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>Implemented</p> <p>Implemented per last follow-up response.</p>	<p>Implemented</p> <p>Implemented per last follow-up response.</p>

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	<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 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</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>Responsible Party: IT Project Manager for permit expiration notices; Planning and Code Enforcement Director for changes to City Code.</p> <p>Implementation Date: 4/30/2017</p>		
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	authorized by the permit has not been commenced.			
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 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	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 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	Implemented Implemented per last follow up response	Implemented Implemented per last follow up response

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	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>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 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>Responsible Party: Chief Information Officer</p> <p>Implementation Date: 6/30/2017</p>		
19	The Office of Internal Audit recommends Permitting and Inspections management review	Management is currently reviewing the permit fees and the permit applications for all four trades. Once	Implemented	Implemented

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	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.	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. Responsible Party: Building Official Implementation Date: 6/30/2017	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. Implementation Date: 10/1/2018	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. Implementation Date: 10/1/2018
20	Permitting and Inspections management should determine if Cityworks has the capability to provide reports by subsidiary ledger for fees charged to customers, which could be used to reconcile to the City’s general ledger. 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	There is a lack of integration between the accounting software programs that the City uses that 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	Implemented The IT department worked with the Cityworks developers to ensure that the date of transactions matches the date on other financial software systems. The department developed policies that incorporate the City’s Financial Policies to a department specific level to include the required reconciliation of all financial	Implemented The IT department worked with the Cityworks developers to ensure that the date of transactions matches the date on other financial software systems. The department developed policies that incorporate the City’s Financial Policies to a department specific level to include the required reconciliation of all financial

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	<p>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 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>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>Responsible Party: Senior Administrative Assistant</p> <p>Implementation Date: 6/30/2017</p>	<p>transactions with the general ledger.</p>	<p>transactions with the general ledger.</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</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.</p>	<p>Implemented</p> <p>The department has developed and refined policies that incorporate the City’s Financial</p>	<p>Implemented</p> <p>The department has developed and refined policies that incorporate the City’s Financial</p>

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	Cityworks and the general ledger. Any Homeowner Recovery Fund fee refunds should be taken into consideration when completing the reconciliation.	<p>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. 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>Responsible Party: Senior Administrative Assistant</p> <p>Implementation Date: 10/3/2016</p>	Policies to a department specific level.	Policies to a department specific level.
22	Permitting and Inspections management should require,	The Senior Administrative Assistant provided Permit Technicians copies	Implemented	Implemented

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	<p>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 management should ensure quality reviews are done for all cash receipt processes.</p>	<p>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 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>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>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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		<p>Responsible Party: Senior Administrative Assistant</p> <p>Implementation Date: 6/30/2017</p>		
23	<p>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, 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</p>	<p>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 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>Responsible Party: Interim Permitting and Inspections Director</p> <p>Implementation Date: 9/30/2017</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: 10/1/18</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: 10/1/18</p>

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KEY	description or position as deemed appropriate.	Management Response	Management Follow-up Response – October 24, 2019	Management Follow-up Response – August 8, 2019
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 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>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 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</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>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 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>Responsible Party: Senior Administrative Assistant</p> <p>Implementation Date: 9/30/2016</p>		
25	Permitting and Inspections management should coordinate with the Information Technology Department and/or the software	While report creation is part of the Information Technology Department's top priorities for Cityworks "fixes," locking out the	Implemented The process-related content of this finding has been addressed,	Implemented The process-related content of this finding has been addressed,

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	<p>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 and Fayetteville City Code, Chapter 7, Article III before a permit is issued.</p>	<p>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 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</i></p>	<p>Implementation Date: 10/1/2018</p>	<p>Implementation Date: 10/1/2018</p>
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		<p><i>will be completed. All other efforts to refine Cityworks will be discontinued.</i></p> <p>Responsible Party: IT Project Manager</p> <p>Implementation Date: 11/30/2016 for the workaround. TBD for the ultimate resolution.</p>		
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>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>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>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 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</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>Responsible Party: Building Official; Senior Administrative Assistant</p> <p>Implementation Date: 6/30/2017</p>		
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	<p>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 application of fees. Training should be given to Permitting and Inspections personnel to ensure understanding and adherence to policies and procedures.</p>			
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</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</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,</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,</p>

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	<p>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 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>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. 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</p>	<p>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 comply with State or local rules and regulations concerning licensing.”</i></p> <p style="color: red;">Implementation Date: 10/1/2018</p>	<p>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 comply with State or local rules and regulations concerning licensing.”</i></p> <p style="color: red;">Implementation Date: 10/1/2018</p>
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		<p>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 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</i></p>		
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		<p><i>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>Responsible Party: Planning and Code Enforcement Director (code changes); Senior Administrative Assistant (procedures)</p> <p>Implementation Date: 9/30/2017</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</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</p>	<p>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</p>	<p>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</p>

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	<p>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>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 budget cycle. 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</i></p>	<p>same at first glance, staff includes notes and other items to differentiate each permit from another to avoid duplication.</p> <p>Implementation Date: 10/1/2018</p>	<p>same at first glance, staff includes notes and other items to differentiate each permit from another to avoid duplication.</p> <p>Implementation Date: 10/1/2018</p>
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		<p><i>to refine Cityworks will be discontinued.</i></p> <p>Responsible Party: Interim Permitting and Inspections Director and Information Technology Director</p> <p>Implementation Date: 11/15/2016</p>		
29	<p>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.</p>	<p>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.</p>	<p>Implemented</p> <p>The process and policy related content of this finding has been remedied</p> <p>Also, technology has also being evaluated to ensure that the inspectors can result the inspections in real time after the inspection is conducted.</p> <p>Implementation Date: 10/1/2018</p>	<p>Implemented</p> <p>The process and policy related content of this finding has been remedied</p> <p>Also, technology has also being evaluated to ensure that the inspectors can result the inspections in real time after the inspection is conducted.</p> <p>Implementation Date: 10/1/2018</p>

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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>Responsible Party: Building Official</p> <p>Implementation Date: 6/30/2017</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	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	Implemented	Implemented
			With the assistance of IT, the department has implemented the recommendation preventing the bypassing of system controls.	With the assistance of IT, the department has implemented the recommendation preventing the bypassing of system controls.

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A2016-02 Permitting and Inspections

	<p>conducted by management to ensure all inspections are completed and resulted for each type of permit on the workflow. Cityworks workflows should be updated for each permit type to include only required inspections for that permit type.</p>	<p>Permitting and Inspections department is working closely with the IT department as well as with Cityworks in order to address this 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>		
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A2016-02 Permitting and Inspections

		<p>Responsible Party: Building Official</p> <p>Implementation Date: 6/30/2017</p>		
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>Implemented</p> <p>Accountability procedures are currently in place to satisfy the process-related content of this finding.</p> <p>Implementation Date: 10/1/2018</p>	<p>Implemented</p> <p>Accountability procedures are currently in place to satisfy the process-related content of this finding.</p> <p>Implementation Date: 10/1/2018</p>

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A2016-02 Permitting and Inspections

		<p>Responsible Party: Building Official</p> <p>Implementation Date: 6/30/2017</p>		
32	<p>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.</p>	<p>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.</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</i></p>	<p>Implemented</p> <p>The process-related content was addressed by ordinance amendment and Cityworks modification</p> <p>Implementation Date: 10/1/18</p>	<p>Implemented</p> <p>The process-related content was addressed by ordinance amendment and Cityworks modification</p> <p>Implementation Date: 10/1/18</p>

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A2016-02 Permitting and Inspections

		<p><i>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>Responsible Party: Senior Administrative Assistant (for Permitting); Building Official (for Inspections); PCE Director (for code changes and PCE policies and procedures)</p> <p>Implementation Date: 11/15/2016, with the City Code Changes to occur in January 2017</p>		
33	Internal Audit recommends Permitting and Inspections management develop processes to ensure square footage and construction costs are validated	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	Implemented The fee schedule has been modified to reflect permit fees	Implemented The fee schedule has been modified to reflect permit fees

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	<p>prior to permit issuance and again 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>be caught during the inspection 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>based upon heated and non-heated area.</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>based upon heated and non-heated area.</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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		<p>Responsible Party: Building Official</p> <p>Implementation Date: 6/30/2017</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 will be completed. All other efforts</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>to refine Cityworks will be discontinued.</i></p> <p>Responsible Party: Building Official</p> <p>Implementation Date: 6/30/2017</p>		
35	Consider implementing multi-trade inspections, specifically HVAC permits, to enhance scheduling flexibility, reduce drive times and improve response times.	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 standard certification. Management hopes to expand this	<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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		concept to more permit types as we get more inspectors certified. Responsible Party: Building Official Implementation Date: 10/1/2016		

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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>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>Responsible Party: Chief Financial Officer or designee</p> <p>Implementation Date: 01/31/2018</p>	<p>Implemented</p> <p>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 on 4.25.19 for a 10 day review process. All comments were recorded and policy signed/approved by City Manager.</p>	<p>Implemented</p> <p>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 on 4.25.19 for a 10 day review process. All comments were recorded and policy signed/approved by City Manager.</p>
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A2016-06 Contract Practices and Procedures

2	<p>1. Clarification should be added to <i>Policy #120 City of Fayetteville General Contracting Practices and Procedures</i> to:</p> <ul style="list-style-type: none"> a. Define the conditions under which a purchase order is required; and b. Require all signatures on contracts in Laserfiche be dated. <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 contracts are fully executed with all required approvals, signatures and the City Seal.</p>	<p>1. 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. 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 are being followed by all user departments.</p> <p>3. 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</p>	<p>Implemented</p> <p><i>Policy #120 City of Fayetteville General Contracting Practices and Procedures</i> was updated and subsequently approved by the City Manager.</p> <p>Training was held 11.16.18, 3.29.19 and will continue to be held now that the policy has been developed and approved.</p>	<p>Implemented</p> <p><i>Policy #120 City of Fayetteville General Contracting Practices and Procedures</i> was updated and subsequently approved by the City Manager.</p> <p>Training was held 11.16.18, 3.29.19 and will continue to be held now that the policy has been developed and approved.</p>
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A2016-06 Contract Practices and Procedures

		<p>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>Responsible Party: Chief Financial Officer or designee</p> <p>Implementation Date: 03/31/2018</p>		
3	<ol style="list-style-type: none"> Clarification should be added to <i>Policy #120 City of Fayetteville General Contracting Practices and Procedures</i> defining the conditions under which a contract is required; Training and monitoring practices to ensure procedures are being followed by all user departments should be improved; A quality control program should be developed to help ensure contracts are obtained 	<ol style="list-style-type: none"> 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. To ensure full implementation and compliance, the City Manager will assign the CFO the responsibility of providing training and monitoring practices to ensure contract 	Implemented	Implemented

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A2016-06 Contract Practices and Procedures

	<p>prior to purchase or start of service; and</p> <p>4. Management should establish a central repository for all City contracts.</p>	<p>procedures are being followed by all user departments.</p> <p>3. To ensure full implementation and compliance, the City Manager will 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. All contracts will go through contract routing and LaserFiche will serve as the contract repository.</p> <p>Responsible Party: Chief Financial Officer or designee</p> <p>Implementation Date: 03/31/2018</p>	<p>A training module has been prepared and will be delivered to staff using PowerDMS.</p>	<p>A training module has been prepared and will be delivered to staff using PowerDMS.</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="color: red; text-align: center;">Partially Implemented</p> <p style="color: red;">The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p style="color: red;">The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p style="color: red;">Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p> <p style="color: red;">An announced audit was conducted during the dates of July 23-26, 2019 as required by policy.</p>	<p style="color: red; text-align: center;">Not Implemented</p> <p style="color: red;">The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p style="color: red;">An unannounced internal inspection was completed on September 19- October 12, 2018 by the Forensics Manager and Forensics Supervisor. A final report was submitted to the Chief of Police. An announced inspection was completed on September 26, 2018. A final report was submitted to Chief of Police.</p> <p style="color: red;">The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows</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>for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
1.2	The Office of Internal Audit recommends management establish internal controls to	The review of the entire Police Department Evidence and Property Operating Procedure Policy is being	Partially Implemented The Evidence and Property	Not Implemented The Evidence and Property

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A2018-01 Evidence and Property Management

	<p>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>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 style="color: red;">Room continue to follow the last available policy version from 2016.</p> <p style="color: red;">The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p style="color: red;">Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p> <p style="color: red;">An announced audit was conducted during the dates of July 23-26, 2019. The findings of the audit were annotated in a memorandum that was sent to the Chief of Police for review and has been stored in Laserfiche.</p>	<p style="color: red;">Room continue to follow the last available policy version from 2016.</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 style="color: red;">The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with</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>the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Property Room Management.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
1.3	The Office of Internal Audit recommends management establish internal controls to	The review of the entire Police Department Evidence and Property Operating Procedure Policy is being	Partially Implemented The Evidence and Property	Not Implemented The Evidence and Property

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A2018-01 Evidence and Property Management

	<p>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>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>Room continue to follow the last available policy version from 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p> <p>The special audit and announced inspection were conducted in tandem with one another due to the proximity of new personnel being assigned to the Evidence and Property room.</p>	<p>Room continue to follow the last available policy version from 2016.</p> <p>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>Additionally, policy will be reviewed by contracted legal</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>who specializes in NC Police Policy. The audit report and policy will be provided for their recommendations.</p> <p>This area is specifically addressed in the new policy titled Property Room Management.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>New Personnel is being trained for the unit due to exiting supervisors retiring. This will result in an audit for new staff coming into the unit. Revised Implementation Date: 10/31/2019</p>
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A2018-01 Evidence and Property Management

1.4	<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>4. Determine the circumstances when property receipts are required, the personnel responsible to maintain them and ensure they are issued accordingly;</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="color: red; text-align: center;">Partially Implemented</p> <p style="color: red;">The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p style="color: red;">The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p style="color: red;">Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p style="color: red; text-align: center;">Not Implemented</p> <p style="color: red;">The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p style="color: red;">The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p>
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		<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 Implementation Date: 03/10/2019</p>		<p>This area is specifically addressed in the new policy titled Submitting General Property Management.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
1.5	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.	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	<p>Partially Implemented</p> <p>The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to</p>	<p>Not Implemented</p> <p>The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p>The single policy from 2016 has been separated into four new policies that addresses</p>

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	<p>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>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>Implementation Date: 03/10/2019</p>	<p>reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p>each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Submitting General Property Management.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting</p>
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				final submission from external legal and then reviewed by departmental Chain of Command before training will be created. Revised Implementation Date: 10/31/2019
1.6	<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>6. Stolen checks should be generated for ALL firearms to determine if they have been reported stolen;</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</p>	<p>Partially Implemented</p> <p>The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who</p>	<p>Not Implemented</p> <p>The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p>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>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>

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		<p>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>are responsible for handling evidence.</p>	<p>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Submitting General Property Management.</p>
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				<u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created. Revised Implementation Date: 10/31/2019
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</p>	<p>Partially Implemented</p> <p>The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p>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</p>	<p>Not Implemented</p> <p>The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p>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</p>

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		<p>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 style="color: red;">process that was already in place at the time of the audit.</p> <p style="color: red;">The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p style="color: red;">Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p style="color: red;">process that was already in place at the time of the audit.</p> <p style="color: red;">The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence. This area is specifically addressed in the new policy titled Submitting General Property Management.</p>
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				<p><u>UPDATE July 25, 2019:</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
1.8	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 property and evidence operating procedures.	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	<p>Partially Implemented</p> <p>The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final</p>	<p>Not Implemented</p> <p>The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting</p>

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		<p>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>review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p>General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
2.1	Conduct a full and complete inventory of all currency to	The implementation of this recommendation is contingent upon	Partially Implemented	Not Implemented

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	<p>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>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>Responsible Party: Specialized</p>	<p>The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p> <p>A complete inventory of all currency will be conducted once policy revision has occurred.</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. This information was passed on to appropriate Police Department personnel for follow-up related to the overall cost.</p> <p>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as</p>
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		<p>Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>		<p>ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Currency Handling Procedures. Sgt Mary Bueno is almost complete with a case by case review of all currency cases and seeing which cases have been adjudicated.</p> <p><u>UPDATE July 25, 2019;</u> The case by case review will be reviewed and evaluated by new supervisor and best practice for conducting a full currency count.</p>
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				<p>Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</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>Partially Implemented</p> <p>The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training</p>	<p>Not Implemented</p> <p>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon</p>

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			will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.	completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence. UPDATE July 25, 2019; Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created. Revised Implementation Date: 10/31/2019
2.3	Review the property and evidence items converted from Visionaire RMS to ONESolution RMS to determine if disposing is an option. As these items are being disposed based on the current legal, approved procedures, the missing and inconsistent information should be reviewed and updated at	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 move items off the shelf and complete an accurate inventory when we move items for management of property/evidence items and more storage evaluation	Partially Implemented The Evidence and Property Room continue to follow the last available policy version from 2016. The Evidence and Property Operating Procedure has been	Partially Implemented The re-organization of the first floor area of the Police Department should be finalized with rolling shelves in April 2019. This will enable Property and Evidence staff to make their moves.

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	<p>that time.</p>	<p>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>updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p> <p>Any item that is destroyed at this time, must have a court order for destruction in place for it to be completed. The department currently requires a court order for any destruction.</p>	<p>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.</p> <p>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>Destruction of this property is our primary goal and a new policy has been authored that</p>
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				<p>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.</p> <p>The reorganization of the evidence room has begun and during this process, all pieces of property that is touched will be verified in RMS as accurate. If it is not listed in the RMS Evidence Module, it will be entered. This will allow for the older RMS system to be phased out of use since all evidence will be in the current module.</p> <p><u>UPDATE July 25, 2019;</u> Reorganization of the Property Room is in the final stages of movement and personnel is transitioning to</p>
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				<p>ensure this is completed in accordance to the updated policy.</p> <p>Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
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	<p>Not Implemented</p> <p>Currently, another request was submitted for the cost of the data transfer 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. Another request was submitted for the cost of the data transfer.</p>	<p>Not Implemented</p> <p>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.</p> <p>UPDATE:</p>

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		<p>financial impact before this can be completed.</p> <p>Responsible Party: Specialized Services Division Commander Implementation Date: 03/10/2019</p>		<p>The previous process of obtaining all Destruction Orders to obtain a quote is still being conducted. No Change.</p> <p>Revised Implementation Date: 10/31/2019</p>
3.1	<p>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.</p>	<p>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.</p>	<p>Management did not concur and will not be implementing this recommendation.</p>	<p>Management did not concur and will not be implementing this recommendation.</p>
3.2	<p>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.</p>	<p>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</p>	<p>Partially Implemented</p> <p>Process and practice has been implemented and tested within the department. The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p>	<p>Partially Implemented</p> <p>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</p>

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		<p>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 identifying authorized users of RMS will be updated.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>		<p>Manager and their rights are changed or removed.</p> <p>A policy has been drafted and is awaiting the Police Chief's signature outlining the process for removing former employees from all user accounts.</p> <p>UPDATE: Process and practice has been implemented and tested within the department. Actual written policy is a part of the operational procedure policy being established. Revised Implementation Date: 10/31/2019</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</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</p>	<p>Implemented</p> <p>When a record is cancelled out of the system, an email is sent to the Database Manager detailing why the record needs to be cancelled. This is a requirement for this action to be completed.</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</p>

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	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.	(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		commonality. No change. UPDATE July 25, 2019; Process is still being analyzed to determine errors and determine the commonality. Revised Implementation Date: 10/31/2019
4.1	Continue to research the whereabouts of the two items missing and notify the courts and attorneys as deemed necessary.	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 While locating items for destruction, these items were located and have been placed in the correct locations and updated in RMS.	Implemented 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	When items are missing and unable to be located, the chain of command will be notified with a memorandum and a supplemental	Implemented A process has been established when items are missing and	Implemented A process has been established when items are missing and

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	designated missing.	<p>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.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	unable to be located.	unable to be located.
4.3	Quarterly audits for high-risk items, cash, firearms, narcotics and 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>Random quarterly audits are important for high value items and 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>Partially Implemented</p> <p>Monthly audits are being conducted on high-risk items by the Evidence Sergeant.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p>	<p>Not Implemented</p> <p>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review,</p>

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		<p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>		<p>training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Property room management.</p> <p><u>UPDATE July 25, 2019:</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
5.1	The Office of Internal Audit recommends management amend written operating procedures to ensure consistency and reliability of information and provide	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	<p>Partially Implemented</p> <p>The Evidence and Property Room continue to follow the last available policy version</p>	<p>Not Implemented</p> <p>The single policy from 2016 has been separated into four new policies that addresses</p>

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	<p>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> <ol style="list-style-type: none"> 1. Specific requirements should be listed to ensure sufficient and consistent descriptions are 	<p>accuracy.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>from 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p>each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Submitting General Property Management. The Property and Evidence Room staff does a visual review to ensure accuracy to the data that is inputted.</p>
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	documented for all property and evidence;			<u>UPDATE July 25, 2019;</u> Awaiting final submission of policy from external legal and then reviewed by departmental Chain of Command before training will be created. Revised Implementation Date: 10/31/2019
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,	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	Partially Implemented The Evidence and Property Room continue to follow the last available policy version from 2016. The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit. Upon completion of the final review and approval of the operating procedures, training will be created and conducted	Not Implemented The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review,

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	<p>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>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>to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p>training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Submitting General Property Management. The Property and Evidence Room staff does a visual review to ensure accuracy to the data that is inputted.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
5.3	The Office of Internal Audit	The procedures will be updated to	Partially Implemented	Not Implemented

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	<p>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>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>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Submitting General Property Management.</p> <p><u>UPDATE July 25, 2019;</u></p>
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	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;			Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created. Revised Implementation Date: 10/31/2019
5.4	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	The updated Operating Procedure 6.2 will accurately address these concerns and implementation will be monitored by the Evidence Room Staff. 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	Partially Implemented The Evidence and Property Room continue to follow the last available policy version from 2016. The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit. Upon completion of the final review and approval of the operating procedures, training	Not Implemented The Property and Evidence Room is currently operating from the March 2016 policy version. The single policy from 2016 has been separated into four new policies that address each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as

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	<p>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>to complete.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p>ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Submitting General Property Management.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation</p>

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KEY	Recommendation	Management Response	Management Follow-up Response – October 24, 2019	Date: 10/31/2019
5.5	<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</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 Implementation Date: 03/10/2019</p>	<p style="color: red;">Partially Implemented</p> <p style="color: red;">The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p style="color: red;">The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p style="color: red;">Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p style="color: red;">Not Implemented</p> <p style="color: red;">The Property and Evidence Room is currently operating from the March 2016 policy version.</p> <p style="color: red;">The single policy from 2016 has been separated into four new policies that address each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for</p>

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	include the following, but are not limited to: 5. Clarify what types of property and evidence can be opened to include the persons allowed to open each specific type of property and evidence;			<p>handling evidence.</p> <p>This area is specifically addressed in the new policy titled Submitting General Property Management.</p> <p>UPDATE July 25, 2019; Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
5.6	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	The updated Operating Procedure 6.2 will accurately address these concerns and implementation will be monitored by the Evidence Room Staff. The City of Fayetteville Police Attorneys are reviewing the Operating Procedure Policy for	<p>Partially Implemented</p> <p>The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p>The Evidence and Property Operating Procedure has been</p>	<p>Not Implemented</p> <p>The Property and Evidence Room is currently operating from the March 2016 policy version.</p> <p>The reorganization of the evidence room has begun and</p>

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	<p>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>6. Review and update operating procedures for areas impacted when ONESolution RMS was implemented.</p>	<p>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 pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p> <p>A complete audit of the Evidence Room will take an extensive amount of time to complete and preparations will need to be made for this occur; however as items are located that were not previously documented in RMS, they are entered into the module at that time.</p>	<p>during this process, all pieces of property that is touched will be verified in RMS as accurate. If it is not listed in the RMS Evidence Module, it will be entered. This will allow for the older RMS system to be phased out of use since all evidence will be in the current module.</p> <p>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach</p>
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				<p style="color: red;">the new policy to all persons who are responsible for handling evidence.</p> <p style="color: red;"><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p style="color: red;">Revised Implementation Date: 10/31/2019</p>
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.	<p>The Evidence Room Operating Policy re-write and the follow through and implementation of that policy.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p style="color: red;">Partially Implemented</p> <p style="color: red;">The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p style="color: red;">The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal</p>	<p style="color: red;">Not Implemented</p> <p style="color: red;">The Property and Evidence Room is currently operating from the March 2016 policy version.</p> <p style="color: red;">The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management;</p>

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			<p>Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p>Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Submitting General Property Management.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then</p>
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				<p>reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
7.1	<p>If currency continues to be maintained in the Property and Evidence Unit, Internal Audit recommends management consider maintaining the currency in fireproof safes.</p>	<p>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.</p> <p>Responsible Party: Specialized Services Division Commander Implementation Date: 03/10/2019</p>	<p>Partially Implemented</p> <p>The Evidence and Property Room continue to follow the last available policy version from 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p>Not Implemented</p> <p>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.</p> <p>Evidence Supervisor is awaiting quotes from various companies on the proper safe.</p> <p>The single policy from 2016 has been separated into four</p>

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			<p>A fire safe has not been purchased at this time due to the finalization of the policy revision on currency handling procedures.</p>	<p>new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence. This area is specifically addressed in the new policy titled Currency Handling Procedures.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting</p>
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				final submission from external legal and then reviewed by departmental Chain of Command before training will be created. Revised Implementation Date: 10/31/2019
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.	<p>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.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>Implemented</p> <p>The camera install was completed on October 10, 2018 and all are operational.</p>	<p>Implemented</p> <p>The camera install was completed on October 10, 2018 and all are operational.</p>
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	<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 	<p>Implemented</p> <p>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</p>	<p>Implemented</p> <p>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</p>

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	<p>safeguard the items and ensure the integrity of the chain of custody is maintained.</p>	<p>time afterward.</p> <ul style="list-style-type: none"> • 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 this and have the officer update the information. • 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</p>	<p>RMS and then turned into the evidence room for storage they are to not accept the property until it is corrected.</p>	<p>RMS and then turned into the evidence room for storage they are to not accept the property until it is corrected.</p>
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		<p>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	<p>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 operating procedures based on the management approved process.</p>	<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> <p>Implementation Date: 03/10/2019</p>	<p style="text-align: center;">Partially Implemented</p> <p>In February 2018, a memorandum for record was completed that outlines the current destruction process until Operating Procedure 6.2 is updated. The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training</p>	<p style="text-align: center;">Not Implemented</p> <p>In February 2018, a memorandum for record was completed that outlines the current destruction process until Operating Procedure 6.2 is updated.</p> <p>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows</p>

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			<p>will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p>for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Property Removal Release Destruction Procedures.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p>
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				Revised Implementation Date: 10/31/2019
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 can be addressed in a timely manner.	<p>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 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>Partially Implemented</p> <p>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 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>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal</p>	<p>Partially Implemented</p> <p>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 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>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management;</p>

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			<p>Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p>Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Property Removal Release Destruction Procedures.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from</p>
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				<p>external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
11.1	<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>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>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>Partially Implemented</p> <p>Property and Evidence staff continue to follow the Operating Procedure put into place in March 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling</p>	<p>Not Implemented</p> <p>Property and Evidence staff continue to follow the Operating Procedure put into place in March 2016. The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon</p>

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	<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>		evidence.	<p>completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Property Removal Release Destruction Procedures.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
11.2	Management should create or amend operating procedures addressing matters observed	The review of the entire Police Department Evidence and Property Policy is being addressed to ensure	Partially Implemented Property and Evidence staff	Not Implemented Property and Evidence staff

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	<p>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>c. Guidelines for disposal of items requiring special consideration;</p> <p>d. Guidelines to ensure</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>continue to follow the Operating Procedure put into place in March 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p>continue to follow the Operating Procedure put into place in March 2016.</p> <p>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy</p>
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	<p>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>			<p>titled Property Removal Release Destruction Procedures.</p> <p>UPDATE July 25, 2019; Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</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 Audit concluded that</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</p>	<p>Partially Implemented</p> <p>Property and Evidence staff continue to follow the Operating Procedure put into place in March 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal</p>	<p>Not Implemented</p> <p>Property and Evidence staff continue to follow the Operating Procedure put into place in March 2016.</p> <p>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management;</p>

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	<p>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>recommendation.</p> <p>Responsible Party: Specialized Services Division Commander</p> <p>Implementation Date: 03/10/2019</p>	<p>Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p>Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Property Removal Release Destruction Procedures and Submitting General Property Management.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting</p>
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				<p>final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
11.4	<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>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</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>Partially Implemented</p> <p>Property and Evidence staff continue to follow the Operating Procedure put into place in March 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who</p>	<p>Not Implemented</p> <p>Property and Evidence staff continues to follow the Operating Procedure put into place in March 2016.</p> <p>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts</p>

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	<p>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>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.</p>		<p>are responsible for handling evidence.</p>	<p>and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p>This area is specifically addressed in the new policy titled Property Removal Release Destruction Procedures.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
11.5	Management should create or	The review of the entire Police	Partially Implemented	Not Implemented

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	<p>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>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>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 style="color: red;">Property and Evidence staff continue to follow the Operating Procedure put into place in March 2016.</p> <p style="color: red;">The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p style="color: red;">Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p style="color: red;">Property and Evidence staff continue to follow the Operating Procedure put into place in March 2016.</p> <p style="color: red;">The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p>
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				<p>This area is specifically addressed in the new policy titled Property Removal Release Destruction Procedures.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</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</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</p>	<p>Partially Implemented</p> <p>Property and Evidence staff continue to follow the Operating Procedure put into place in March 2016.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to</p>	<p>Not Implemented</p> <p>Property and Evidence staff continue to follow the Operating Procedure put into place in March 2016.</p> <p>The single policy from 2016 has been separated into four new policies that addresses</p>

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	<p>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 it relates to property and evidence and the disposal process.</p>	<p>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 style="color: red;">reflect the recommendations made by the Office of Internal Audit.</p> <p style="color: red;">Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new procedures to all persons who are responsible for handling evidence.</p>	<p style="color: red;">each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence.</p> <p style="color: red;">This area is specifically addressed in the new policy titled Property Removal Release Destruction Procedures.</p> <p style="color: red;"><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal</p>
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				for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created. Revised Implementation Date: 10/31/2019
12	<p>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>	<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>Partially Implemented</p> <p>Additional shelving units were purchased for the identified locations and have been installed.</p> <p>The Evidence and Property Operating Procedure has been updated pending staffing to reflect the recommendations made by the Office of Internal Audit.</p> <p>Upon completion of the final review and approval of the operating procedures, training will be created and conducted to effectively teach the new</p>	<p>Not Implemented</p> <p>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>

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			<p>procedures to all persons who are responsible for handling evidence.</p>	<p>The single policy from 2016 has been separated into four new policies that addresses each of the following areas: Property Room Management; Currency Handling Procedures; Property Removal, Release and Destruction; and Submitting General Property. This allows for ease of review as well as ease of training. The policies have been reviewed by legal and the subject matter experts and are currently in review with the Chain of Command. Upon completion of the final review, training will be created and conducted to effectively teach the new policy to all persons who are responsible for handling evidence. This area is specifically addressed in the new policy titled Property Removal Release Destruction Procedures and increased the square footage of the evidence room</p>
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				<p>for greater management of space and property storage.</p> <p><u>UPDATE July 25, 2019;</u> Policy has been reviewed and discussed with external legal for further review. Awaiting final submission from external legal and then reviewed by departmental Chain of Command before training will be created.</p> <p>Revised Implementation Date: 10/31/2019</p>
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A2018-04 Performance Measures: Parks, Recreation and Maintenance

1.1	Management should review and update all Departmental performance measures to ensure the performance measures address how the Department is meeting the associated objectives;	<p>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.</p> <p>Responsible Party: Management Analyst</p> <p>Implementation Date: 9/11/2018</p>	<p>Implemented</p> <p>This recommendation has been implemented for the FY19 performance measure. PRM has updated and revised all performance measures to meet objectives of the department. Staff removed measures that did not clearly associate with the department’s objectives.</p>	<p>Implemented</p> <p>This recommendation has been implemented for the FY19 performance measure. PRM has updated and revised all performance measures to meet objectives of the department. Staff removed measures that did not clearly associate with the department’s objectives.</p>
1.2	Management should review and update all Departmental performance measures to ensure the Department adequately and accurately tracks and reports the actual work being performed by personnel for the performance measures.	<p>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.</p> <p>Responsible Party: Management Analyst</p> <p>Implementation Date: 9/29/2018</p>	<p>Implemented</p> <p>This recommendation has been implemented by running new reports that are consistent with the updated performance measures. Current reports and historical reports for the new measures have been updated in Tracstat.</p>	<p>Implemented</p> <p>This recommendation has been implemented by running new reports that are consistent with the updated performance measures. Current reports and historical reports for the new measures have been updated in Tracstat.</p>

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A2018-04 Performance Measures: Parks, Recreation and Maintenance

2	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.	<p>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.</p> <p>Responsible Party: Management Analyst</p> <p>Implementation Date: 9/11/2018</p>	<p>Implemented</p> <p>This measure has been implemented. Staff has phrased the measure to communicate the what, why, and how.</p>	<p>Implemented</p> <p>This measure has been implemented. Staff has phrased the measure to communicate the what, why, and how.</p>
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A2018-04 Performance Measures: Public Services

2	<p>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.</p>	<p>Public services will review all performance measures within each division for full implementation beginning FY 20.</p> <p>Responsible Party: Each division manager will be responsible for implementation.</p> <p>Implementation Date: 7/1/2019</p>	<p>Implemented</p> <p>Public services has worked extensively over the last 6 months in improving our performance measures.</p> <p>Step taken include the following:</p> <ul style="list-style-type: none"> • PS Director met with each Division (Traffic, Engineering and Infrastructure, Solid Waste, Street Maintenance and Real-estate) to discuss measures and methods for improvement. • Each division manager provided new measures and revisions to past ones to more accurately reflect our work products. • We met with CMO (Kristoff Bauer) on Nov 9, 2018 to discuss our revisions. • We finalized our revisions per attached and received approval from CMO. 	<p>Implemented</p> <p>Public services has worked extensively over the last 6 months in improving our performance measures.</p> <p>Step taken include the following:</p> <ul style="list-style-type: none"> • PS Director met with each Division (Traffic, Engineering and Infrastructure, Solid Waste, Street Maintenance and Real-estate) to discuss measures and methods for improvement. • Each division manager provided new measures and revisions to past ones to more accurately reflect our work products. • We met with CMO (Kristoff Bauer) on Nov 9, 2018 to discuss our revisions. • We finalized our revisions per attached and received approval from CMO.
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A2018-04 Performance Measures: Public Services

			<ul style="list-style-type: none"> We finalized our measures. <p>In summary we have reviewed and updated all departmental performance measures to ensure the performance measures are defined so the average user can effectively evaluate the information and have received CMO approval for the revised measures.</p>	<ul style="list-style-type: none"> We finalized our measures. <p>In summary we have reviewed and updated all departmental performance measures to ensure the performance measures are defined so the average user can effectively evaluate the information and have received CMO approval for the revised measures.</p>
3	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.	Actual performance measures are requested to be finalized in July for the previous FY ending June 30 th . 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.	<p>Implemented</p> <p>Public services has worked extensively over the last 6 months in improving our performance measures.</p> <p>Step taken include the following:</p> <ul style="list-style-type: none"> PS Director met with each Division (Traffic, Engineering and Infrastructure, Solid Waste, Street Maintenance and Real-estate) to discuss 	<p>Implemented</p> <p>Public services has worked extensively over the last 6 months in improving our performance measures.</p> <p>Step taken include the following:</p> <ul style="list-style-type: none"> PS Director met with each Division (Traffic, Engineering and Infrastructure, Solid Waste, Street Maintenance and Real-estate) to discuss

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A2018-04 Performance Measures: Public Services

		<p>Implementation Date: 12/1/2018</p>	<p>measures and methods for improvement.</p> <ul style="list-style-type: none"> • Each division manager provided new measures and revisions to past ones to more accurately reflect our work products. • We met with CMO (Kristoff Bauer) on Nov 9, 2018 to discuss our revisions. • We finalized our revisions per attached and received approval from CMO. • We finalized our measures. <p>In summary we have reviewed and updated all departmental performance measures to ensure the performance measures are defined so the average user can effectively evaluate the information and have received CMO approval for the revised measures.</p>	<p>measures and methods for improvement.</p> <ul style="list-style-type: none"> • Each division manager provided new measures and revisions to past ones to more accurately reflect our work products. • We met with CMO (Kristoff Bauer) on Nov 9, 2018 to discuss our revisions. • We finalized our revisions per attached and received approval from CMO. • We finalized our measures. <p>In summary we have reviewed and updated all departmental performance measures to ensure the performance measures are defined so the average user can effectively evaluate the information and have received CMO approval for the revised measures.</p>
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A2016-05 Parks, Recreation and Maintenance Nonresident Fees Implementation

1.1	<p>The Office of Internal Audit recommends management amend the written <i>Fayetteville-Cumberland Parks & Recreation Non-Resident Fee Policy</i> 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:</p> <ol style="list-style-type: none"> 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 	<p>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.</p>	<p style="color: red;">Partially Implemented</p> <p style="color: red;">This recommendation has not been fully implemented. Staff has had to revise the schedule to amend the Fayetteville-Cumberland Parks and Recreation Non-Resident Fee Policy. The updated schedule includes revisions that were complete by September 16, 2019. Training will conclude in October with full implementation anticipated by November 1, 2019.</p>	<p style="color: red;">Not Implemented</p> <p style="color: red;">This recommendation has not been implemented. Staff has had to revise the schedule to amend the Fayetteville-Cumberland Parks and Recreation Non-Resident Fee Policy. The updated schedule includes revisions complete by September 16, 2019 with training to occur in Sept./Oct. and full implementation November 1, 2019.</p> <p style="color: red;">Revised Implementation Date: 11/01/2019</p>
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	c. fees; and Establish specific guidance and expectations on charging swimming pool and Adult Open Play Athletic fees.	Responsible Party: Adrienne Thomas, Business Manager Implementation Date: 07/01/2019		
1.2	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.	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	Partially Implemented This recommendation has not been fully implemented. Staff has had to revise the schedule to amend the Fayetteville-Cumberland Parks and Recreation Non-Resident Fee Policy. Training will conclude in late October with full implementation anticipated by November 1, 2019.	Not Implemented This recommendation has not been implemented. Staff has had to revise the original schedule (for training to occur in May/June and full implementation July 1, 2019). The updated schedule includes training to occur in Sept./Oct. and full implementation November 1, 2019. Revised Implementation Date: 11/01/2019

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		<p>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.</p> <p>Responsible Party: Adrienne Thomas, Business Manager</p> <p>Implementation Date: 07/01/2019</p>		
1.3	<p>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.</p>	<p>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</p>	<p style="color: red;">Partially Implemented</p> <p style="color: red;">This recommendation has not been fully implemented. Staff has had to revise the schedule to amend the Fayetteville-Cumberland Parks and Recreation Non-Resident Fee Policy. Training will conclude in late October with full implementation anticipated by November 1, 2019.</p>	<p style="color: red;">Not Implemented</p> <p style="color: red;">This recommendation has not been implemented. Staff has had to revise the original schedule (for training to occur in May/June and full implementation July 1, 2019). The updated schedule includes training to occur in Sept./Oct. and full implementation November 1, 2019.</p> <p style="color: red;">Revised Implementation Date: 11/01/2019</p>

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		<p>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.</p> <p>Responsible Party: Adrienne Thomas, Business Manager</p> <p>Implementation Date: 07/01/2019</p>		
2	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.	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	Implemented	Implemented
			This recommendation has been implemented. The fee schedule was updated during the budget process and reflective of changes to ensure transparency and clarity. The updated fee schedule was presented to City Council for adoption and included in the FY2020 budget.	This recommendation has been implemented. The fee schedule was updated during the budget process and reflective of changes to ensure transparency and clarity. The updated fee schedule was presented to City Council for adoption and included in the FY2020 budget.

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		<p>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.</p> <p>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</p>	<p>The FY20 Fee Schedule was implemented on July 1, 2019.</p>	<p>The FY20 Fee Schedule was implemented on July 1, 2019.</p>
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		<p>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 Page 6 of 9 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.</p>		
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		<p>Responsible Party: Adrienne Thomas, Business Manager</p> <p>Implementation Date: 07/01/2019</p>		
3	<p>The Office of Internal Audit recommends management amend the written <i>Fayetteville-Cumberland Parks & Recreation Non-Resident Fee Policy</i> 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.</p> <p>Improvements to the policy based on Internal Audit’s observations should include, but not be limited to:</p> <p style="margin-left: 20px;">a. Types of documentation</p>	<p>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.</p> <p>Responsible Party: Recreation Division Supervisor</p> <p>Implementation Date: 07/01/2019</p>	Partially Implemented	Not Implemented
			<p>This recommendation has not been fully implemented. Staff has had to revise the schedule to amend the Fayetteville-Cumberland Parks and Recreation Non-Resident Fee Policy. The updated schedule includes revisions that were complete by September 16, 2019. Training will conclude in October with full implementation anticipated by November 1, 2019.</p>	<p>This recommendation has not been implemented. Staff has had to revise the schedule to amend the Fayetteville-Cumberland Parks and Recreation Non-Resident Fee Policy. The updated schedule includes revisions complete by September 16, 2019 with training to occur in Sept./Oct. and full implementation November 1, 2019.</p> <p>Revised Implementation Date: 11/01/2019</p>

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	<p>considered sufficient and insufficient;</p> <p>b. Frequency for updating documentation; and</p> <p>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.</p>			
4.1	<p>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.</p>	<p>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</p>	<p>Not Implemented</p> <p>This recommendation has not been implemented yet. Staff would like to update the implementation date to November 1, 2019.</p>	<p>Not Implemented</p> <p>This recommendation has not been implemented yet. Staff would like to update the implementation date to November 1, 2019.</p> <p>Revised Implementation Date: 11/01/2019.</p>

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		<p>enhance day-to-day support/user experience, identify and resolve issues and improve process efficiencies as online transactions grow.</p> <p>Responsible Party: Michael Gibson, PRM Director and Adrienne Thomas, Business Manager</p> <p>Implementation Date: 03/01/2019</p>		
4.2	<p>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.</p>	<p>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.</p>	<p>Implemented</p> <p>This recommendation has been implemented. Access to change receipt and general ledger dates, drawers, and pay codes has been restricted to Business Manager and Management Analysts only.</p>	<p>Implemented</p> <p>This recommendation has been implemented. Access to change receipt and general ledger dates, drawers, and pay codes has been restricted to Business Manager and Management Analysts only.</p>

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		Responsible Party: Michael Gibson, PRM Director and Adrienne Thomas, Business Manager Implementation Date: 03/01/2019		

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A2019-05 WEX Fuel Cards: Finance Department

1.1	<p>Internal Audit recommends management of the Finance Department to implement the following:</p> <p>1. File applicable fuel tax exemption documentation and follow-up to ensure the City receives the fuel tax exemption status with WEX.</p>	<p>Finance management has filed the required fuel tax exemption package with WEX and will follow-up to ensure the City is receiving the tax exemption status as requested. Furthermore, the Finance Department will complete a reconciliation to ensure reimbursements were filed on behalf of the City, both for State and Federal, monthly and annually respectively.</p> <p>Responsible Party: Jody Picarella, Accounting Manager</p> <p>Implementation Date: 9/1/2019</p>	<p>Implemented</p> <p>Completed</p>	<p>Implemented</p> <p>Completed</p>
1.2	<p>Internal Audit recommends management of the Finance Department to implement the following:</p> <p>2. Research to determine if the City is entitled to Federal and State fuel tax refunds paid since 2014 and request refunds, as deemed eligible.</p>	<p>Research has been conducted to determine if the City is eligible for refunds, however, as of April 29, 2019 the amount and timeframe are still in the process of being finalized, knowing that time is of the essence. Once the eligibility is finalized the City will work diligently to file the required reports and documentation to maximize the amount of the refund. The City is currently working with WEX, North Carolina</p>	<p>Implemented</p> <p>Pending/Under Review Refunds: IRS - \$184,494.76 NC- Excise Tax - \$334,030.21 Total - \$518,524.97</p> <p>IRS representative was onsite 10.7.19 to review IRS returns</p>	<p>Not Implemented</p> <p>The preliminary research has yielded that federal and state reimbursements can be submitted for the prior three fiscal years and prior three years to the month respectively.</p> <p>Finance received the necessary information to file the appropriate returns from Wex on</p>

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A2019-05 WEX Fuel Cards: Finance Department

		<p>Department of Revenue and the Internal Revenue Service.</p> <p>Responsible Party: Jody Picarella, Accounting Manager</p> <p>Implementation Date: 9/1/2019</p>	<p>NC – first paper submission is under review. Once approved all other refunds will be submitted electronically.</p> <p>The Finance department will continue to work with the Federal and State agencies to ensure the CoF receives the fuel tax refunds as these agencies deemed eligible.</p>	<p>7.15.19, and the department is working diligently to accurately complete the applicable returns. Furthermore there has been a slight discrepancy regarding the historical information provided by Wex and the information needed for the federal return for 2015. Finance is working to simultaneously remedy this discrepancy and file the return.</p>
1.3	<p>Internal Audit recommends management of the Finance Department to implement the following:</p> <p>3. Monitor WEX fuel card invoices for merchants not participating in the tax exemption program to ensure fuel tax refunds are requested.</p>	<p>WEX tax enrollment documentation states that merchant participation is optional, therefore, Finance management will receive transactional information reflecting fuel taxes reported for the non-participating merchants for follow-up on refunds based on State and Federal guidelines; whereas, the State is applied for monthly and Federal is applied for annually. Furthermore, Finance staff will periodically record a receivable to reflect and aide in the reconciliation process of reimbursements due to the City.</p>	<p>Implemented</p> <p>Completed and ongoing – Finance has completed the recommended action on the May and June invoices. Finance will continually monitor future invoices for merchants that have opted out.</p>	<p>Implemented</p> <p>Completed and ongoing – Finance has completed the recommended action on the May and June invoices. Finance will continually monitor future invoices for merchants that have opted out.</p>

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A2019-05 WEX Fuel Cards: Finance Department

		Responsible Party: Jody Picarella, Accounting Manager Implementation Date: 9/1/2019		
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A2019-05 WEX Fuel Cards: Fire Department

2.1	Internal Audit recommends management of the Fire Department implement the recommendations as presented in the audit report to ensure internal controls are established, followed, maintained, and properly documented to include a process to ensure adequate follow-up regarding questionable fueling transactions is conducted.	<p>The department’s current business practices are aligned with the recommended improvement opportunities; however these are not codified in policy or other written guidance documents. The department is of the position that there was no evidence found to indicate any fraud has been committed, nor has suspicion be raised that indicates any fraudulent activity with any of the WEX Fuel Cards assigned to the Fire/Emergency Management Department. The department acknowledges there is a lack of internal control measures that inhibits the detection of potential fraudulent activity. The department will assist with policy development that addresses the concerns raised with the audit findings including, but limited to, responsible and frugal use of the department’s fuel budget.</p> <p>Responsible Party: Assistant Fire Chief Kevin Morgan</p> <p>Implementation Date: 9/1/2019</p>	<p style="color: red; text-align: center;">Partially Implemented</p> <p style="color: red;"><u>Awaiting finalization of city-wide policy and Finance Department WEX fuel card processes to be established</u></p> <p style="color: red;">The Fire department implemented FFD SOP# 306 <u>Use of Fuel Cards effective 7/1/19</u>. The SOP provides for the retention of a monthly transaction log and receipt collection that is reconciled with the monthly WEX report by the designated Fuel Card Administrator.</p> <p style="color: red;">The Finance department has developed a written city-wide policy with input from the Fire Department. The policy, to include the Purchasing division managing the maintenance of the cards, will be finalized once the 10 day review requirement by the Senior Management Team is completed. Anticipated</p>	<p style="text-align: center;">Partially Implemented</p> <p><u>Awaiting finalization of city-wide policy and Finance Department WEX fuel card processes to be established</u></p> <p>The department implemented FFD SOP# 306 <u>Use of Fuel Cards effective 7/1/19</u>. The SOP provides for the retention of a monthly transaction log and receipt collection that is reconciled with the monthly WEX report by the designated Fuel Card Administrator.</p>
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			completion date by the Finance department is October 31, 2019.	
2.3	Management should ensure WEX fuel card PINs are only assigned to personnel with the ability and need to use the fuel cards.	<p>It is an operational necessity that all fire department employees be issued a fueling Personal Identification Number (PIN), as all employees are required and subject to drive/operate department owned vehicles.</p> <p>Responsible Party: Assistant Fire Chief Kevin Morgan</p> <p>Implementation Date: 9/1/2019</p>	<p>Implemented</p> <p>Per FFD SOP #306 <u>Use of Fuel Cards</u>, each FFD employee will be assigned a PIN upon employment, and the fuel card administrator will immediately notify the Finance Department to deactivate upon separation of employment.</p>	<p>Implemented</p> <p>Per FFD SOP #306 <u>Use of Fuel Cards</u>, each FFD employee will be assigned a PIN upon employment, and the fuel card administrator will immediately notify the Finance Department to deactivate upon separation of employment.</p>
2.4	Assessment of a secure location in Fire vehicles and equipment should be completed to determine the safest location for fuel cards to be maintained. Policies should note suitable places to store the fuel card in City owned vehicles and equipment.	<p>To address fuel card security, the department has placed lock boxes in most of the apparatus and are currently researching options to secure fuel cards in staff vehicles.</p> <p>Responsible Party: Assistant Fire Chief Kevin Morgan</p> <p>Implementation Date: 9/1/2019</p>	<p>Implemented</p> <p>Fuel card lock boxes have been installed in all FFD vehicles and fire stations. Governance is defined in FFD SOP #306 <u>Use of Fuel Cards</u>.</p>	<p>Implemented</p> <p>Fuel card lock boxes have been installed in all FFD vehicles and fire stations. Governance is defined in FFD SOP #306 <u>Use of Fuel Cards</u>.</p>
3.1	Develop written city-wide and departmental policies and procedures for using WEX fuel cards, to include identifying the City administrator of the WEX fuel	The department's current business practices are aligned with the recommended improvement opportunities; however these are not codified in policy or other written	<p style="color: red;">Partially Implemented</p> <p style="color: red;"><u>Awaiting finalization of city-wide policy and Finance</u></p>	<p>Partially Implemented</p> <p><u>Awaiting finalization of city-wide policy and Finance</u></p>

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A2019-05 WEX Fuel Cards: Fire Department

	<p>card program. These policies and procedures should address the City administrator and user department responsibilities, as well as operational guidance.</p>	<p>guidance documents. The department management is receptive to oversight by an overarching City of Fayetteville (COF) policy governing the administration of the WEX Fuel Card program. Additionally, the department will develop and implement an internal Standard Operating Guideline that compliments the COF policy and addresses operational procedures needed to ensure business continuity. These documents will clarify responsibilities, stipulate training and define the process of issuing, terminating and ensuring security of Personal Identification Numbers (PIN).</p> <p>Responsible Party: Assistant Fire Chief Kevin Morgan and Chief Financial Officer Jay Toland</p> <p>Implementation Date: 9/1/2019</p>	<p><u>Department WEX fuel card processes to be established</u></p> <p>The Fire department has provided input to the COF Chief Financial Officer for development of a COF policy governing issuance and use of a fuel purchasing Card. FFD SOP #306 <u>Use of Fuel Cards</u> was placed in to effect 7/1/19.</p> <p>The Finance department has developed a written city-wide policy with input from the Fire Department. The policy, to include the Purchasing division managing the maintenance of the cards, will be finalized once the 10 day review requirement by the Senior Management Team is completed. Anticipated completion date by the Finance department is October 31, 2019.</p>	<p><u>Department WEX fuel card processes to be established</u></p> <p>The department has provided input to the COF Chief Financial Officer for development of a COF policy governing issuance and use of a fuel purchasing Card. FFD SOP #306 <u>Use of Fuel Cards</u> was placed in to effect 7/1/19.</p>
3.2	<p>Ensure user departments are provided copies of the city-wide policies and procedures and are requested to comply and develop</p>	<p>The department’s current business practices are aligned with the recommended improvement opportunities; however these are not</p>	<p>Partially Implemented</p> <p><u>Awaiting finalization of city-wide policy and Finance</u></p>	<p>Partially Implemented</p> <p><u>Awaiting finalization of city-wide policy and Finance</u></p>

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A2019-05 WEX Fuel Cards: Fire Department

	<p>internal procedures for fuel cards. Training should be given to personnel that use WEX fuel cards to ensure understanding and adherence to the policies and procedures.</p>	<p>codified in policy or other written guidance documents. The department management is receptive to oversight by an overarching City of Fayetteville (COF) policy governing the administration of the WEX Fuel Card program. Additionally, the department will develop and implement an internal Standard Operating Guideline that compliments the COF policy and addresses operational procedures needed to ensure business continuity. These documents will clarify responsibilities, stipulate training and define the process of issuing, terminating and ensuring security of Personal Identification Numbers (PIN).</p> <p>Responsible Party: Assistant Fire Chief Kevin Morgan and Chief Financial Officer Jay Toland</p> <p>Implementation Date: 9/1/2019</p>	<p><u>Department WEX fuel card processes to be established</u></p> <p>The Finance department has developed a written city-wide policy with input from the Fire Department. The policy, to include the Purchasing division managing the maintenance of the cards, will be finalized once the 10 day review requirement by the Senior Management Team is completed. Anticipated completion date by the Finance department is October 31, 2019.</p>	<p><u>Department WEX fuel card processes to be established</u></p> <p>FFD SOP #306 <u>Use of Fuel Cards</u> was effective 7/1/19. The policy was distributed to the entire FFD staff though Power DMS for their acknowledgement of receipt. The department has provided input to the COF Chief Financial Officer (CFO) for the development of a city-wide policy. The department is awaiting for this document to be finalized and published by the CFO.</p>
3.3	A process should be developed to ensure when personnel are no longer employed with the City,	The department’s current business practices are aligned with the recommended improvement	Implemented	Implemented

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	their WEX fuel card PIN number is deactivated immediately after their last day of employment.	opportunities; however these are not codified in policy or other written guidance documents. The department management is receptive to oversight by an overarching City of Fayetteville (COF) policy governing the administration of the WEX Fuel Card program. Additionally, the department will develop and implement an internal Standard Operating Guideline that compliments the COF policy and addresses operational procedures needed to ensure business continuity. These documents will clarify responsibilities, stipulate training and define the process of issuing, terminating and ensuring security of Personal Identification Numbers (PIN). Responsible Party: Assistant Fire Chief Kevin Morgan and Chief Financial Officer Jay Toland Implementation Date: 9/1/2019	FFD SOP #306 Use of Fuel Cards specifies that PIN numbers will be deactivated when employees separate from employment.	FFD SOP #306 Use of Fuel Cards specifies that PIN numbers will be deactivated when employees separate from employment.
3.4	Sharing PIN's should be considered a violation of policy.	The department's current business practices are aligned with the	Implemented	Implemented

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		<p>recommended improvement opportunities; however these are not codified in policy or other written guidance documents. The department management is receptive to oversight by an overarching City of Fayetteville (COF) policy governing the administration of the WEX Fuel Card program. Additionally, the department will develop and implement an internal Standard Operating Guideline that compliments the COF policy and addresses operational procedures needed to ensure business continuity. These documents will clarify responsibilities, stipulate training and define the process of issuing, terminating and ensuring security of Personal Identification Numbers (PIN).</p> <p>Responsible Party: Assistant Fire Chief Kevin Morgan and Chief Financial Officer Jay Toland</p> <p>Implementation Date: 9/1/2019</p>	<p>FFD Sop #306 Use of Fuel Cards states that there shall be no sharing of PINs.</p>	<p>FFD Sop #306 Use of Fuel Cards states that there shall be no sharing of PINs.</p>
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4.1	<p>Management should ensure fuel consumption of each vehicle and personnel are monitored and reviewed and any abnormalities in fuel consumption, to include purchases of higher grade fuel, is investigated. Additionally, trend analysis should be performed to identify and justify increases/decreases in monthly fuel consumption.</p>	<p>The department’s current business practices are aligned with the recommended improvement opportunities; however these are not codified in policy or other written guidance documents. Improvement Opportunity #2 references using odometer readings to track miles per gallon, which may prove to be problematic with fire apparatus. A considerable amount of engine run time of fire apparatus occurs when the vehicle is stationary on emergency incident scenes. The department will explore feasibility of monitoring engine operating hours for pumping apparatus. The department is also exploring the feasibility of tracking fueling activities within its current Records Management System (RMS). It is theorized that refueling can be entered as an activity, including pertinent details such as gallons purchased, amount charged, the employee completing transaction, etc. A reconciliation report from the department’s RMS may be available</p>	<p style="text-align: center;">Implemented</p> <p>FFD SOP #306 <u>Use of Fuel Cards</u> assigns a Fuel Card Administrator within the department who is responsible for monitoring fuel purchases and detecting abnormalities.</p>	<p style="text-align: center;">Implemented</p> <p>FFD SOP #306 <u>Use of Fuel Cards</u> assigns a Fuel Card Administrator within the department who is responsible for monitoring fuel purchases and detecting abnormalities.</p>
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		<p>for comparison to the monthly WEX report. This will also afford drivers the opportunity to document and memorialize customary discrepancies that inaccurately appear malicious such as multiple transactions in close proximity due to fueling being interrupted by emergency calls, malfunctions of the fuel pumps, purchasing multiple fuel types simultaneously for the varied power equipment carried of fire apparatus, etc. This process will be defined in the department’s Standard Operating Guideline if implemented.</p> <p>Responsible Party: Assistant Fire Chief Kevin Morgan</p> <p>Implementation Date: 7/1/2019</p>		
4.2	Based on the type of apparatus/vehicle, management should establish a mechanism to track miles per gallon, assess vehicle utilization and monitor potential abuse.	The department’s current business practices are aligned with the recommended improvement opportunities; however these are not codified in policy or other written guidance documents. Improvement Opportunity #2 references using	Implemented A monthly fuel log has been implemented along with the FFD SOP #306 <u>Use of Fuel Cards</u> with an effective date of 7/1/19. This log affords the	Implemented A monthly fuel log has been implemented along with the FFD SOP #306 <u>Use of Fuel Cards</u> with an effective date of 7/1/19. This log affords the

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		<p>odometer readings to track miles per gallon, which may prove to be problematic with fire apparatus. A considerable amount of engine run time of fire apparatus occurs when the vehicle is stationary on emergency incident scenes. The department will explore feasibility of monitoring engine operating hours for pumping apparatus. The department is also exploring the feasibility of tracking fueling activities within its current Records Management System (RMS). It is theorized that refueling can be entered as an activity, including pertinent details such as gallons purchased, amount charged, the employee completing transaction, etc. A reconciliation report from the department's RMS may be available for comparison to the monthly WEX report. This will also afford drivers the opportunity to document and memorialize customary discrepancies that inaccurately appear malicious such as multiple transactions in close proximity due</p>	<p>ability to assess fuel utilization and monitor for potential abuse.</p>	<p>ability to assess fuel utilization and monitor for potential abuse.</p>
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		<p>to fueling being interrupted by emergency calls, malfunctions of the fuel pumps, purchasing multiple fuel types simultaneously for the varied power equipment carried of fire apparatus, etc. This process will be defined in the department’s Standard Operating Guideline if implemented.</p> <p>Responsible Party: Assistant Fire Chief Kevin Morgan</p> <p>Implementation Date: 7/1/2019</p>		
4.3	Although the WEX system allows fuel card controls, establishment of a process to review for exceptions is recommended.	The department’s current business practices are aligned with the recommended improvement opportunities; however these are not codified in policy or other written guidance documents. Improvement Opportunity #2 references using odometer readings to track miles per gallon, which may prove to be problematic with fire apparatus. A considerable amount of engine run time of fire apparatus occurs when the vehicle is stationary on emergency incident scenes. The	<p>Implemented</p> <p>FFD SOP #306 <u>Use of Fuel Cards</u> assigns a Fuel Card Administrator within the department who is responsible for monitoring fuel purchases and reviewing for exceptions.</p>	<p>Implemented</p> <p>FFD SOP #306 <u>Use of Fuel Cards</u> assigns a Fuel Card Administrator within the department who is responsible for monitoring fuel purchases and reviewing for exceptions.</p>

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		<p>department will explore feasibility of monitoring engine operating hours for pumping apparatus. The department is also exploring the feasibility of tracking fueling activities within its current Records Management System (RMS). It is theorized that refueling can be entered as an activity, including pertinent details such as gallons purchased, amount charged, the employee completing transaction, etc. A reconciliation report from the department's RMS may be available for comparison to the monthly WEX report. This will also afford drivers the opportunity to document and memorialize customary discrepancies that inaccurately appear malicious such as multiple transactions in close proximity due to fueling being interrupted by emergency calls, malfunctions of the fuel pumps, purchasing multiple fuel types simultaneously for the varied power equipment carried of fire apparatus, etc. This process will be defined in the department's Standard</p>		
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		<p>Operating Guideline if implemented.</p> <p>Responsible Party: Assistant Fire Chief Kevin Morgan</p> <p>Implementation Date: 7/1/2019</p>		
5.1	<p>Internal Audit recommends the Fire Department implement a fuel card inventory process. At a minimum, the following should be performed:</p> <ol style="list-style-type: none"> 1. Require an annual physical verification of all fuel cards, as evidenced by signature and date of the personnel conducting the inventory and the cardholder assigned to the vehicle; 	<p>The department’s current business practices are aligned with the recommended improvement opportunities; however these are not codified in policy or other written guidance documents. These suggestions will be incorporated into the recommended COF policy and/or FFD Standard Operating Guideline as applicable.</p> <p>Responsible Party: Assistant Fire Chief Kevin Morgan</p> <p>Implementation Date: 9/1/2019</p>	<p>Implemented</p> <p>The department enacted FFD SOP #306 <u>Use of Fuel Cards</u> effective 7/1/19 which specifies the Fuel Card Administrator will conduct a periodic audit of all fuel cards.</p>	<p>Implemented</p> <p>The department enacted FFD SOP #306 <u>Use of Fuel Cards</u> effective 7/1/19 which specifies the Fuel Card Administrator will conduct a periodic audit of all fuel cards.</p>
5.2	<p>Internal Audit recommends the Fire Department implement a fuel card inventory process. At a minimum, the following should be performed:</p>	<p>The department’s current business practices are aligned with the recommended improvement opportunities; however these are not codified in policy or other written guidance documents. These</p>	<p>Implemented</p> <p>The department enacted FFD SOP #306 <u>Use of Fuel Cards</u> effective 7/1/19 which specifies the Fuel Card Administrator will</p>	<p>Implemented</p> <p>The department enacted FFD SOP #306 <u>Use of Fuel Cards</u> effective 7/1/19 which specifies the Fuel Card Administrator will</p>

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	2. Unaccounted for fuel cards should be deactivated immediately;	suggestions will be incorporated into the recommended COF policy and/or FFD Standard Operating Guideline as applicable. Responsible Party: Assistant Fire Chief Kevin Morgan Implementation Date: 9/1/2019	notify the Finance Department to deactivate cards that are unaccounted for immediately.	notify the Finance Department to deactivate cards that are unaccounted for immediately.
5.3	Internal Audit recommends the Fire Department implement a fuel card inventory process. At a minimum, the following should be performed: 3. Management should develop and maintain a listing of vehicles and the fuel cards assigned, to include spare and miscellaneous fuel cards;	The department's current business practices are aligned with the recommended improvement opportunities; however these are not codified in policy or other written guidance documents. These suggestions will be incorporated into the recommended COF policy and/or FFD Standard Operating Guideline as applicable. Responsible Party: Assistant Fire Chief Kevin Morgan Implementation Date: 9/1/2019	Implemented An inventory of all fuel cards is maintained by the Fuel Card Administrator as defined in FFD SOP #306 <u>Use of Fuel Cards</u> .	Implemented An inventory of all fuel cards is maintained by the Fuel Card Administrator as defined in FFD SOP #306 <u>Use of Fuel Cards</u> .
5.4	Internal Audit recommends the Fire Department implement a fuel card inventory process. At a minimum, the following should be performed:	The department's current business practices are aligned with the recommended improvement opportunities; however these are not	Implemented The department will notify the Finance Department when	Implemented The department will notify the Finance Department when

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	4. Management should ensure cancellation of fuel cards due to disposal/surplus is completed on a timely basis and are followed-up to ensure they are deactivated;	codified in policy or other written guidance documents. These suggestions will be incorporated into the recommended COF policy and/or FFD Standard Operating Guideline as applicable. Responsible Party: Assistant Fire Chief Kevin Morgan Implementation Date: 9/1/2019	vehicles are to be disposed of. The Finance Department will deactivate assigned fuel cards as applicable.	vehicles are to be disposed of. The Finance Department will deactivate assigned fuel cards as applicable.
5.5	Internal Audit recommends the Fire Department implement a fuel card inventory process. At a minimum, the following should be performed: 5. Establish a process in which fuel cards without activity for a given period of time are deactivated; and	The department's current business practices are aligned with the recommended improvement opportunities; however these are not codified in policy or other written guidance documents. These suggestions will be incorporated into the recommended COF policy and/or FFD Standard Operating Guideline as applicable. Responsible Party: Assistant Fire Chief Kevin Morgan Implementation Date: 9/1/2019	Implemented The Fire department has identified an inventory process as recommended. The number of cards in use has been reduced. All cards currently assigned are needed for operational viability although some may continue to realize extended periods of non-use.	Not Implemented This recommendation, may not be feasible for department operations. More investigation will be needed to determine if this is an issue or not.
6	Management should utilize the controls within the WEX fuel card	The department will restrict the ability to purchase only the fuel type	Implemented	Implemented

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	online system when possible, and when not possible, alternative controls should be put in place to detect exceptions.	used by the vehicle where possible. The department currently allows the purchase of non-fuel items (i.e. motor oil, DEF fluid, transmission fluid, etc.) with the WEX program, however data shows this has only been employed twice since implementation. Due to the limited need demonstrated, the department will restrict fuel cards to fuel purchases only. Responsible Party: Office Manager Bobbie Bethea Implementation Date: 7/1/2019	The purchase of fuel is governed by FFD SOP #306 <u>Use of Fuel Cards</u> effective 7/1/19.	The purchase of fuel is governed by FFD SOP #306 <u>Use of Fuel Cards</u> effective 7/1/19.
7	Internal Audit recommends WEX fuel card administration responsibilities be reassigned in order to achieve an effective separation.	The department management suggest the WEX program be administered by the City of Fayetteville (COF) Finance Office, utilizing similar internal controls that are applied to the COF Procurement Card Program. The department will develop and implement a standard operating guideline that compliments the COF WEX policy and delineates responsibility of operational	Partially Implemented <u>Awaiting finalization of city-wide policy and Finance Department WEX fuel card processes to be established</u> Delegation has been established within the Fire department with FFD SOP #306 <u>Use of Fuel Cards</u>. However, the department has provided input and is	Partially Implemented <u>Awaiting finalization of city-wide policy and Finance Department WEX fuel card processes to be established</u> Delegation has been established within the department with FFD SOP #306 <u>Use of Fuel Cards</u> . However, the department has provided input and is awaiting

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		<p>functions to a department level as appropriate. The department will further separate operational and reconciliatory responsibilities respectively between the logistics division supervisor and the Office Manager as a measure of segregation of duties.</p> <p>Responsible Party: Chief Financial Officer Jay Toland</p> <p>Implementation Date: 9/1/2019</p>	<p>awaiting the release of COF policy to realize true delegation of all responsibility related to fuel cards.</p> <p>The Finance department has developed a written city-wide policy with input from the Fire Department. The policy, to include the Purchasing division managing the maintenance of the cards, will be finalized once the 10 day review requirement by the Senior Management Team is completed. Anticipated completion date by the Finance department is October 31, 2019.</p>	<p>the release of COF policy to realize true delegation of all responsibility related to fuel cards.</p>
8	<p>Management should ensure personnel sign a fuel usage agreement that details the terms and conditions on the proper use of the fuel card prior to issuing fuel cards.</p>	<p>This process should be described in the City of Fayetteville WEX Policy and enforced by the department. This recommendation will be facilitated through use of Power DMS.</p> <p>Responsible Party: Chief Financial Officer Jay Toland</p> <p>Implementation Date: 9/1/2019</p>	<p>Partially Implemented</p> <p><u>Awaiting finalization of city-wide policy and Finance Department WEX fuel card processes to be established</u></p> <p>This recommendation will be addressed with release of the COF policy governing the use of fuel cards.</p>	<p>Partially Implemented</p> <p><u>Awaiting finalization of city-wide policy and Finance Department WEX fuel card processes to be established</u></p> <p>This recommendation will be addressed with release of the COF policy governing the use of fuel cards.</p>

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			The Finance department has developed a written city-wide policy with input from the Fire Department. The policy, to include the Purchasing division managing the maintenance of the cards, will be finalized once the 10 day review requirement by the Senior Management Team is completed. Anticipated completion date by the Finance department is October 31, 2019.	

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A2019-05 WEX Fuel Cards: Police Department

2.1	<p>Internal Audit recommends management of the Police Department implement the recommendations as presented in the audit report to ensure internal controls are established, followed, maintained, and properly documented to include a process to ensure adequate follow-up regarding questionable fueling transactions is conducted.</p>	<p>Implementation of a City policy will be established and the overall procedures for the police department are presently being evaluated to ensure best practice and accountability. Verifying if the “Pins” are operationally able to be changed and reassigned will be a part of that evaluation. Determining a “secure” location within the vehicles may be a challenge and will need to be determined. This will be recommended but likely monitored with daily accountability measures. Locations for fueling will also be evaluated by management.</p> <p>Responsible Party: Assistant Chief Anthony Kelly</p> <p>Implementation Date: 9/1/2019</p>	<p style="color: red; text-align: center;">Partially Implemented</p> <p style="color: red;">The Fayetteville Police Department took immediate action regarding the WEX fuel card usage prior to the audit including a memorandum that was submitted through PowerDMS to all employees as guidance for the issuance of and the usage of the fuel cards.</p> <p style="color: red;">In addition to evaluating best practices, the FPD recommends that the fuel cards be assigned to the employee for usage.</p>	<p style="text-align: center;">Partially Implemented</p> <p>The Fayetteville Police Department took immediate action regarding WEX fuel card usage relating to the observations presented in the audit report. New procedures were established and communicated to personnel. Management continues to refine the procedures based on best practices and policies and procedures will be codified and disseminated.</p> <p>The review of options to accomplish the recommendation is being considered.</p> <p>The WEX PIN 4 digit pin is assigned by the police department. Before employee generated PINs could be created the existing WEX account would need to be closed and then reopened. The</p>
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	Recommendation	Management Response	Management Follow-up Response – October 24, 2019	Management Follow-up Response – August 8, 2019
A2019-05 WEX Fuel Cards: Police Department				
				department is waiting on a response from WEX to determine if pins can be created by each card holder, or if WEX can generate a unique identifier numbers for each card holder. Sgt. Lawson is still researching possible solutions for the recommendation. Other options regarding having the WEX card assigned to personnel as opposed to the vehicle would also resolve other issues presented by the Internal Audit.
2.2	Management within the Police Department should consider changing the currently assigned WEX PINs to a confidential PIN.	Implementation of a City policy will be established and the overall procedures for the police department are presently being evaluated to ensure best practice and accountability. Verifying if the “Pins” are operationally able to be changed and reassigned will be a part of that evaluation. Determining a “secure” location within the vehicles may be a challenge and will need to be determined. This will be recommended but likely	Partially Implemented The Fayetteville Police Department took immediate action regarding the WEX fuel card usage prior to the audit including a memorandum that was submitted through PowerDMS to all employees as guidance for the issuance of and the usage of the fuel cards. In addition to evaluating best	Not Implemented Departmental policy is still being developed and reviewed. The review of options to accomplish this recommendation will also be considered. The WEX PIN 4 digit pin is assigned by the police department. Before employee generated PINs could be

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A2019-05 WEX Fuel Cards: Police Department

		<p>monitored with daily accountability measures. Locations for fueling will also be evaluated by management.</p> <p>Responsible Party: Assistant Chief Anthony Kelly</p> <p>Implementation Date: 9/1/2019</p>	<p>practices, the FPD recommends that the fuel cards be assigned to the employee for usage.</p>	<p>created the existing WEX account would need to be closed and then reopened. The department is waiting on a response from WEX to determine if pins can be created by each card holder, or if WEX can generate a unique identifier numbers for each card holder. Sgt. Lawson is still researching possible solutions for the recommendation. Other options regarding having the WEX card assigned to personnel as opposed to the vehicle would also resolve other issues presented by the Internal Audit.</p>
2.3	<p>Management should ensure WEX fuel card PINs are only assigned to personnel with the ability and need to use the fuel cards.</p>	<p>Implementation of a City policy will be established and the overall procedures for the police department are presently being evaluated to ensure best practice and accountability. Verifying if the “Pins” are operationally able to be changed and reassigned will be a part of that evaluation. Determining a “secure” location within the</p>	<p>Partially Implemented</p> <p>The Fayetteville Police Department took immediate action regarding the WEX fuel card usage prior to the audit including a memorandum that was submitted through PowerDMS to all employees as guidance for the issuance of and</p>	<p>Not Implemented</p> <p>Departmental policy is being developed and reviewed. The review of options to accomplish this recommendation is being considered.</p> <p>The WEX PIN 4 digit pin is assigned by the police</p>

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		<p>vehicles may be a challenge and will need to be determined. This will be recommended but likely monitored with daily accountability measures. Locations for fueling will also be evaluated by management.</p> <p>Responsible Party: Assistant Chief Anthony Kelly</p> <p>Implementation Date: 9/1/2019</p>	<p style="color: red;">the usage of the fuel cards. In addition to evaluating best practices, the FPD recommends that the fuel cards be assigned to the employee for usage.</p>	<p>department. Before employee generated PINs could be created the existing WEX account would need to be closed and then reopened. The department is waiting on a response from WEX to determine if pins can be created by each card holder, or if WEX can generate a unique identifier numbers for each card holder. Sgt. Lawson is still researching possible solutions for the recommendation. Other options regarding having the WEX card assigned to personnel as opposed to the vehicle would also resolve other issues presented by the Internal Audit.</p>
2.4	<p>Assessment of a secure location in Police vehicles and equipment should be completed to determine the safest location for fuel cards to be maintained. Policies should note suitable places to store the fuel card in City owned vehicles and equipment.</p>	<p>Implementation of a City policy will be established and the overall procedures for the police department are presently being evaluated to ensure best practice and accountability. Verifying if the “Pins” are operationally able to be changed and reassigned will be a</p>	<p style="color: red;">Partially Implemented</p> <p style="color: red;">The Fayetteville Police Department took immediate action regarding the WEX fuel card usage prior to the audit including a memorandum that was submitted through</p>	<p>Partially Implemented</p> <p>Employees have been and continue to be instructed to secure the WEX card inside the assigned glove compartment and removed the card when the vehicle is turned in for</p>

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		<p>part of that evaluation. Determining a “secure” location within the vehicles may be a challenge and will need to be determined. This will be recommended but likely monitored with daily accountability measures. Locations for fueling will also be evaluated by management.</p> <p>Responsible Party: Assistant Chief Anthony Kelly</p> <p>Implementation Date: 9/1/2019</p>	<p>PowerDMS to all employees as guidance for the issuance of and the usage of the fuel cards.</p> <p>In addition to evaluating best practices, the FPD recommends that the fuel cards be assigned to the employee for usage.</p>	<p>maintenance.</p> <p>Departmental policy is being developed and reviewed. The review of options to accomplish this recommendation will also be considered within the policy.</p>
3.1	Develop written city-wide and departmental policies and procedures for using WEX fuel cards, to include identifying the City administrator of the WEX fuel card program. These policies and procedures should address the City administrator and user department responsibilities, as well as operational guidance.	<p>Departmental Procedures are being evaluated for best practices and will ensure they are in compliance with City-Wide policy.</p> <p>Responsible Party: Chief Gina V. Hawkins and Chief Financial Officer Jay Toland</p> <p>Implementation Date: 9/1/2019</p>	<p>Partially Implemented</p> <p>The city-wide policy is currently being reviewed and recommendations are being made.</p> <p>In addition, all FPD employees signed off on a memorandum that was submitted through PowerDMS in January 2019 as it pertains to guidance for the issuance and usage of fuel cards.</p>	<p>Not Implemented</p> <p>Departmental and city-wide policies are being developed and reviewed by impacted departments. The recommendation will be addressed within the policies.</p>

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3.2	Ensure user departments are provided copies of the city-wide policies and procedures and are requested to comply and develop internal procedures for fuel cards. Training should be given to personnel that use WEX fuel cards to ensure understanding and adherence to the policies and procedures.	<p>Departmental Procedures are being evaluated for best practices and will ensure they are in compliance with City-Wide policy.</p> <p>Responsible Party: Chief Gina V. Hawkins and Chief Financial Officer Jay Toland</p> <p>Implementation Date: 9/1/2019</p>	<p style="color: red; text-align: center;">Partially Implemented</p> <p style="color: red;">The city-wide policy is currently being reviewed and recommendations are being made.</p> <p style="color: red;">In addition, all FPD employees signed off on a memorandum that was submitted through PowerDMS in January 2019 as it pertains to guidance for the issuance and usage of fuel cards.</p>	<p style="text-align: center;">Not Implemented</p> <p>City-wide and departmental policies are being developed and reviewed.</p> <p>The Fayetteville Police Department took immediate action regarding WEX fuel card usage relating to the observations presented in the audit report. New procedures were established and communicated to personnel. Management continues to refine the procedures based on best practices and policies and procedures will be codified and disseminated.</p>
3.3	A process should be developed to ensure when personnel are no longer employed with the City, their WEX fuel card PIN number is deactivated immediately after their last day of employment.	<p>Departmental Procedures are being evaluated for best practices and will ensure they are in compliance with City-Wide policy.</p> <p>Responsible Party: Chief Gina V. Hawkins and Chief Financial Officer Jay Toland</p>	<p style="text-align: center;">Implemented</p> <p>The Fayetteville Police Department utilizes POL-122 for when an employee separates employment to ensure the fuel card is deactivated and the card is turned in with the vehicle through personnel assigned to</p>	<p style="text-align: center;">Partially Implemented</p> <p>The Fayetteville Police Department took immediate action regarding WEX fuel card usage relating to the observations presented in the audit report. New procedures were established and</p>

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A2019-05 WEX Fuel Cards: Police Department				
		Implementation Date: 9/1/2019	Technical Services.	communicated to personnel. Management continues to refine the procedures based on best practices and policies and procedures will be codified and disseminated. Departmental and city-wide policies are being developed and reviewed.
3.4	Sharing PIN's should be considered a violation of policy.	Departmental Procedures are being evaluated for best practices and will ensure they are in compliance with City-Wide policy. Responsible Party: Chief Gina V. Hawkins and Chief Financial Officer Jay Toland Implementation Date: 9/1/2019	Implemented The memorandum that was submitted through PowerDMS in January 2019 provides instructions for when an employee does not remember their PIN and the steps to have it reset.	Partially Implemented The Fayetteville Police Department took immediate action regarding WEX fuel card usage relating to the observations presented in the audit report. New procedures were established and communicated to personnel. Management continues to refine the procedures based on best practices and policies and procedures will be codified and disseminated. Departmental and City-wide policies are being developed

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4.1	Management should ensure fuel consumption of each vehicle and personnel are monitored and reviewed and any abnormalities in fuel consumption, to include purchases of higher grade fuel, is investigated. Additionally, trend analysis should be performed to identify and justify increases/decreases in monthly fuel consumption.	<p>This will be included with the City-wide policy and departmental procedure.</p> <p>Responsible Party: Chief Gina V. Hawkins and Chief Financial Officer Jay Toland</p> <p>Implementation Date: 9/1/2019</p>	<p>Implemented</p> <p>The Fayetteville Police Department instituted a fuel mileage log that is submitted biweekly to capture mileage and fuel usage of personnel.</p> <p>In addition, the Technical Services Unit, conducts monthly inspections that includes built-in reports to detect exceptions.</p>	<p>and reviewed.</p> <p>Partially Implemented</p> <p>The Fayetteville Police Department took immediate action regarding WEX fuel card usage relating to the observations presented in the audit report. New procedures were established and communicated to personnel. Management continues to refine the procedures based on best practices and policies and procedures will be codified and disseminated.</p> <p>Departmental and city-wide policies are being developed and reviewed.</p>
4.2	Based on the type of apparatus/vehicle, management should establish a mechanism to track miles per gallon, assess vehicle utilization and monitor potential abuse.	<p>This will be included with the City-wide policy and departmental procedure.</p> <p>Responsible Party: Chief Gina V. Hawkins and Chief Financial Officer Jay Toland</p>	<p>Implemented</p> <p>The Fayetteville Police Department instituted a fuel mileage log that is submitted biweekly to capture mileage and fuel usage of personnel.</p>	<p>Partially Implemented</p> <p>The Fayetteville Police Department took immediate action regarding WEX fuel card usage relating to the observations presented in the audit report. New procedures</p>

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		Implementation Date: 9/1/2019		<p>were established and communicated to personnel. Management continues to refine the procedures based on best practices and policies and procedures will be codified and disseminated.</p> <p>Departmental and city-wide policies are being developed and reviewed.</p>
4.3	Although the WEX system allows fuel card controls, establishment of a process to review for exceptions is recommended.	<p>This will be included with the City-wide policy and departmental procedure.</p> <p>Responsible Party: Chief Gina V. Hawkins and Chief Financial Officer Jay Toland</p> <p>Implementation Date: 9/1/2019</p>	<p>Implemented</p> <p>The Fayetteville Police Department took immediate action regarding the WEX fuel card usage prior to the audit including a memorandum that was submitted through PowerDMS in January 2019 to all employees as guidance for the issuance of and the usage of the fuel cards.</p>	<p>Partially Implemented</p> <p>The Fayetteville Police Department took immediate action regarding WEX fuel card usage relating to the observations presented in the audit report. New procedures were established and communicated to personnel. Management continues to refine the procedures based on best practices and policies and procedures will be codified and disseminated.</p> <p>Departmental and city-wide</p>

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				policies are being developed and reviewed.
5.1	<p>Internal Audit recommends the Police Department implement a fuel card inventory process. At a minimum, the following should be performed:</p> <ol style="list-style-type: none"> 1. Require an annual physical verification of all fuel cards, as evidenced by signature and date of the personnel conducting the inventory and the cardholder assigned to the vehicle; 	<p>This will occur with the development of the departmental procedure as well as evaluating the best practice for the future.</p> <p>Responsible Party: Assistant Chief Anthony Kelly</p> <p>Implementation Date: 9/1/2019</p>	<p>Implemented</p> <p>The Fayetteville Police Department has completed a 100% inventory of all WEX fuel cards. This was completed by Technical Services.</p>	<p>Partially Implemented</p> <p>As of April 30, 2019, the Police Department had conducted inventories of all fuel cards and is currently in the evaluation of the process of maintaining the spare fuel cards and miscellaneous fuel cards.</p> <p>Ongoing, the police department will be conducting an inventory of all WEX cards during the Quadrennial inspection before the end of 2019. The police department will conduct an inspection twice a year to ensure accountability. This process will be reflected in the departmental policies and procedures.</p>
5.2	<p>Internal Audit recommends the Police Department implement a fuel card inventory process. At a minimum, the following should be performed:</p>	<p>This will occur with the development of the departmental procedure as well as evaluating the best practice for the future.</p>	<p>Implemented</p> <p>The Fayetteville Police Department has completed a 100% inventory of all WEX</p>	<p>Partially Implemented</p> <p>As of April 30, 2019, the Police Department had conducted inventories of all fuel cards and</p>

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	2. Unaccounted for fuel cards should be deactivated immediately;	<p>Responsible Party: Assistant Chief Anthony Kelly</p> <p>Implementation Date: 9/1/2019</p>	fuel cards. This was completed by Technical Services and any fuel cards that were unaccounted for, were deactivated.	<p>took immediate action relating to fuel cards that could not be accounted for during the inventory.</p> <p>Ongoing, the police department will be conducting an inventory of all WEX cards during the Quadrennial inspection before the end of 2019. The police department will conduct an inspection twice a year to ensure accountability. This process will be reflected in the departmental policies and procedures, to include deactivating unaccounted for fuel cards.</p>
5.3	<p>Internal Audit recommends the Police Department implement a fuel card inventory process. At a minimum, the following should be performed:</p> <p>3. Management should develop and maintain a listing of vehicles and the fuel cards assigned, to</p>	<p>This will occur with the development of the departmental procedure as well as evaluating the best practice for the future.</p> <p>Responsible Party: Assistant Chief Anthony Kelly</p> <p>Implementation Date: 9/1/2019</p>	<p>Implemented</p> <p>The Fayetteville Police Department has a system already in place that identifies the assignment of fuel cards.</p>	<p>Partially Implemented</p> <p>As of April 30, 2019, the Police Department had conducted inventories of all fuel cards and is currently in the evaluation of the process of maintaining the spare fuel cards and miscellaneous fuel cards. The inventory process is being</p>

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	include spare and miscellaneous fuel cards;			established in policies and procedures.
5.4	<p>Internal Audit recommends the Police Department implement a fuel card inventory process. At a minimum, the following should be performed:</p> <p style="padding-left: 40px;">4. Management should ensure cancellation of fuel cards due to disposal/surplus is completed on a timely basis and are followed-up to ensure they are deactivated;</p>	<p>This will occur with the development of the departmental procedure as well as evaluating the best practice for the future.</p> <p>Responsible Party: Assistant Chief Anthony Kelly</p> <p>Implementation Date: 9/1/2019</p>	<p>Implemented</p> <p>The Fayetteville Police Department has completed a 100% inventory of all WEX fuel cards. This was completed by Technical Services and any fuel cards that were unaccounted for, were deactivated.</p>	<p>Partially Implemented</p> <p>As of April 30, 2019, the Police Department had conducted inventories of all fuel cards and is currently in the evaluation of the process of maintaining the spare fuel cards and miscellaneous fuel cards. The inventory process is being established in policies and procedures, to include cancelling fuel cards due to disposal/surplus.</p>
5.5	<p>Internal Audit recommends the Police Department implement a fuel card inventory process. At a minimum, the following should be performed:</p> <p style="padding-left: 40px;">5. Establish a process in which fuel cards without activity for a given period of time are deactivated; and</p>	<p>This will occur with the development of the departmental procedure as well as evaluating the best practice for the future.</p> <p>Responsible Party: Assistant Chief Anthony Kelly</p> <p>Implementation Date: 9/1/2019</p>	<p>Partially Implemented</p> <p>The Fayetteville Police Department will conduct a 6 month review to determine if a fuel card has not been utilized and make the determination if the fuel card should be deactivated.</p>	<p>Partially Implemented</p> <p>As of April 30, 2019, the Police Department had conducted inventories of all fuel cards and is currently in the evaluation of the process of maintaining the spare fuel cards and miscellaneous fuel cards. The inventory process is being established in policies and procedures, to include</p>

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				deactivating fuel cards without activity.
5.6	<p>Internal Audit recommends the Police Department implement a fuel card inventory process. At a minimum, the following should be performed:</p> <p style="padding-left: 40px;">6. The Police Department should immediately complete a physical inventory of all WEX fuel cards to ensure existence and immediately deactivate all fuel cards not located.</p>	<p>This will occur with the development of the departmental procedure as well as evaluating the best practice for the future.</p> <p>Responsible Party: Assistant Chief Anthony Kelly</p> <p>Implementation Date: 9/1/2019</p>	<p>Implemented</p> <p>As of April 30, 2019, the Police Department had conducted inventories of all fuel cards and is currently in the evaluation of the process of maintaining the spare fuel cards and miscellaneous fuel cards</p>	<p>Implemented</p> <p>As of April 30, 2019, the Police Department had conducted inventories of all fuel cards and is currently in the evaluation of the process of maintaining the spare fuel cards and miscellaneous fuel cards</p>
6	<p>Management should utilize the controls within the WEX fuel card online system when possible, and when not possible, alternative controls should be put in place to detect exceptions.</p>	<p>The existing controls will be evaluated to determine which thresholds need to be increased.</p> <p>Responsible Party: Assistant Chief Anthony Kelly</p> <p>Implementation Date: 9/1/2019</p>	<p>Implemented</p> <p>The Fayetteville Police Department through our Technical Services Unit, conducts monthly inspections that includes built-in reports to detect exceptions.</p>	<p>Not Implemented</p> <p>The department is awaiting a response back from WEX management team to determine the process of limiting the purchases to vehicle products such as gas and oil.</p>
7	<p>Internal Audit recommends WEX fuel card administration responsibilities be reassigned in order to achieve an effective</p>	<p>Management Concurrs</p> <p>Responsible Party: Chief Gina V. Hawkins and Chief Financial</p>	<p>Partially Implemented</p> <p>The city-wide policy is currently being reviewed and</p>	<p>Not Implemented</p> <p>Awaiting final city-wide policy to ensure this is accomplished.</p>

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	separation.	Officer Jay Toland Implementation Date: 9/1/2019	recommendations are being made.	
8	Management should ensure personnel sign a fuel usage agreement that details the terms and conditions on the proper use of the fuel card prior to issuing fuel cards.	This will be a part of the overall departmental training of the City-wide policy. Responsible Party: Assistant Chief Anthony Kelly Implementation Date: 9/1/2019	Partially Implemented The city-wide policy is currently being reviewed and recommendations are being made. In addition, all FPD employees signed off on a memorandum that was submitted through PowerDMS in January 2019 as it pertains to guidance for the issuance and usage of fuel cards.	Not Implemented Awaiting final departmental and city-wide policy to ensure this is accomplished.
9	Internal Audit recommends the Police Department implement the recommendations as previously presented in the above findings to ensure internal controls are established, followed, maintained, and properly documented to include a process to ensure adequate follow-up regarding questionable fueling transactions.	The evaluation of the entire process will include clear internal controls and documented accountability of the process. Responsible Party: Chief Gina V. Hawkins Implementation Date: 9/1/2019	Partially Implemented The city-wide policy is currently being reviewed and recommendations are being made.	Partially Implemented The Fayetteville Police Department took immediate action regarding WEX fuel card usage relating to the observations presented in the audit report. New procedures were established and communicated to personnel.

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				<p>Management continues to refine the procedures based on best practices and policies and procedures will be codified and disseminated.</p> <p>Awaiting final departmental and city-wide policy to ensure this is accomplished.</p>
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A2019-06 Code Violation Enforcement and Collections

1.1	<p>The Office of Internal Audit recommends management:</p> <ol style="list-style-type: none"> Develop comprehensive policies and procedures that provide consistent code enforcement, to include but not limited to: (a) number of re-inspections and extensions allowed; (b) number of days allowed to correct specific code enforcement violations; (c) expectations of timely re-inspections; (d) when exceptions are applicable to the standard enforcement process; and (e) approval and documentation process for exceptions. 	<p>The development of the policies and procedures must be in accord with the city attorney practices which create multiple, non-linear paths for code compliance. We will work various departments to continue creating the balance of not becoming “too policy-constrained to be responsive and one that permits too much freedom to generate focused activity” (O’Malley, 2010) with more written policies and procedures than presently exist. Currently, 69 types of city code violations are handled by the division. Design by category of city ordinance violations will be initially categorized to create designs for code violation types standardizing all case types with the to-be-revised city code ordinances that also will become more standardized.</p> <p>The immediate application of the city’s newly created nuisance properties ordinance is underway. The newly formed nuisance ordinance will have relatable</p>	<p>Not Implemented</p> <p>The Development Services department has been without an assistant director since the work of the audit and the initial report to the Audit Committee. The schedule of actions recognized the impact of this vacant position and realistically placed implementation dates to reflect the short-staffing impact. Still, work is underway by others to move the implementation forward.</p> <p>In September, the Department Director trained two individuals on process mapping to create graphics on the processes used in various code enforcement activities. In turn, the division continues to work on process mapping to more completely document the variety of existing code enforcement actions, thereby creating the needed steps for developing the</p>	<p>Not Applicable – Audit report presented at August 8, 2019 Audit Committee meeting.</p>
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A2019-06 Code Violation Enforcement and Collections

		<p>policies and practices to blend in the existing citation letters and then fold this provision into the new procedures. The division will further coordinate with the Fayetteville Police Department in encouraging activities connected to the RAMP program that presents opportunities for additional code enforcement of the most challenging rental housing properties.</p> <p>The division manager and supervisors presently meet weekly with the code enforcement team. They will immediately begin an element of training as a team and individual inspector training as new written policies are created. Fine tuning of draft policies will occur in conjunction with the front-line enforcement team and the legal team to ensure defensible practices exist with all personnel. Quarterly quality reviews will occur with evidenced reports presented back to the Development Services Assistant Director.</p>	<p>complete policies and procedures. The two types of process mapping events focused on demolitions and general code enforcement actions. Doing these allows us to also see the impact of the various city ordinances on timelines of actions.</p> <p>We are ahead of schedule on item 1.1.</p>	
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A2019-06 Code Violation Enforcement and Collections

		<p>Responsible Party: Housing & Code Enforcement Division Manager</p> <p>Implementation Date: 06/30/2020</p>		
1.2	<p>The Office of Internal Audit recommends management:</p> <p>2. Ensure personnel are trained on comprehensive policies and procedures.</p>	<p>The development of the policies and procedures must be in accord with the city attorney practices which create multiple, non-linear paths for code compliance. We will work various departments to continue creating the balance of not becoming “too policy-constrained to be responsive and one that permits too much freedom to generate focused activity” (O’Malley, 2010) with more written policies and procedures than presently exist. Currently, 69 types of city code violations are handled by the division. Design by category of city ordinance violations will be initially categorized to create designs for code violation types standardizing all case types with the to-be-revised city code ordinances that also will become more standardized.</p>	<p>Not Implemented</p> <p>Through the development of the flowcharts created by the process mapping, Code Enforcement personnel has begun. This will continue in direct relation to the preparation of the items of 1.2. We are ahead of schedule on item 1.2.</p>	<p>Not Applicable – Audit report presented at August 8, 2019 Audit Committee meeting.</p>

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		<p>The immediate application of the city’s newly created nuisance properties ordinance is underway. The newly formed nuisance ordinance will have relatable policies and practices to blend in the existing citation letters and then fold this provision into the new procedures. The division will further coordinate with the Fayetteville Police Department in encouraging activities connected to the RAMP program that presents opportunities for additional code enforcement of the most challenging rental housing properties.</p> <p>The division manager and supervisors presently meet weekly with the code enforcement team. They will immediately begin an element of training as a team and individual inspector training as new written policies are created. Fine tuning of draft policies will occur in conjunction with the front-line enforcement team and the legal team to ensure defensible practices exist</p>		
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Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2019-2020 (1st Quarter)

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – October 24, 2019	Management Follow-up Response – August 8, 2019

A2019-06 Code Violation Enforcement and Collections

		<p>with all personnel. Quarterly quality reviews will occur with evidenced reports presented back to the Development Services Assistant Director.</p> <p>Responsible Party: Housing & Code Enforcement Division Manager</p> <p>Implementation Date: 06/30/2020</p>		
1.3	<p>The Office of Internal Audit recommends management:</p> <p>3. Develop a documented quality review program to ensure compliance with comprehensive policies and procedures.</p>	<p>The development of the policies and procedures must be in accord with the city attorney practices which create multiple, non-linear paths for code compliance. We will work various departments to continue creating the balance of not becoming “too policy-constrained to be responsive and one that permits too much freedom to generate focused activity” (O’Malley, 2010) with more written policies and procedures than presently exist. Currently, 69 types of city code violations are handled by the division. Design by category of city ordinance violations will be initially categorized to create</p>	<p>Not Implemented</p> <p>1.3 activities occur as items 1.1 and 1.2 are rolled out. Therefore, this one has not begun in the two months since the presentation of audit findings. This is as planned.</p>	<p>Not Applicable – Audit report presented at August 8, 2019 Audit Committee meeting.</p>

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		<p>designs for code violation types standardizing all case types with the to-be-revised city code ordinances that also will become more standardized.</p> <p>The immediate application of the city’s newly created nuisance properties ordinance is underway. The newly formed nuisance ordinance will have relatable policies and practices to blend in the existing citation letters and then fold this provision into the new procedures. The division will further coordinate with the Fayetteville Police Department in encouraging activities connected to the RAMP program that presents opportunities for additional code enforcement of the most challenging rental housing properties.</p> <p>The division manager and supervisors presently meet weekly with the code enforcement team. They will immediately begin an element of training as a team and</p>		
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		<p>individual inspector training as new written policies are created. Fine tuning of draft policies will occur in conjunction with the front-line enforcement team and the legal team to ensure defensible practices exist with all personnel. Quarterly quality reviews will occur with evidenced reports presented back to the Development Services Assistant Director.</p> <p>Responsible Party: Housing & Code Enforcement Division Manager</p> <p>Implementation Date: 06/30/2020</p>		
2.1	<p>The Office of Internal Audit recommends:</p> <p>1. Development Services management should coordinate with the City Attorney’s office to update the City Code of Ordinances as deemed necessary and ensure comprehensive policies and procedures are in agreement.</p>	<p>The current city ordinances create varying times for compliance and different citation charges. US Supreme Court (Timbs v. Indiana, 2019) implications of due process and prohibiting excessive fines will help frame the review of existing ordinances, fee schedules, and practices.</p>	<p>Not Implemented</p> <p>2.1. As the Audit was being finalized, Development Services and the City Attorney’s office had begun the first of the city code adjustments. We are also working these in conjunction with the state’s new statute, 160D, to continue work on the matching of not only</p>	<p>Not Applicable – Audit report presented at August 8, 2019 Audit Committee meeting.</p>

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	<p>Any updates to the City Code of Ordinances should ensure compliance with North Carolina General Statutes.</p>	<p>Development Services will coordinate with the City Attorney’s office in producing suggested City Ordinance changes to address existing incongruities. Prior city policies will be updated with the City Attorney’s office as in prior practice. City Ordinance revisions and adjustments will need City Council approval.</p> <p>Existing practices will be converted to more formal written processes dealing with site and structure specific circumstances and general best practices for case management.</p> <p>An existing practice of an annual review of betterment practices for the department will continue to fold in the meetings with the City Attorney’s office has occurred prior to this audit which identified this need, independent of the audit, and has resulted in City Ordinance changes earlier in 2019.</p>	<p>enforcement procedures to city ordinances, but also state statutes and US Supreme Court actions of 2019. We are on schedule with item 2.1.</p>	
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		<p>Responsible Party: Assistant Director, Development Services</p> <p>Implementation Date: 03/30/2020</p>		
2.2	<p>The Office of Internal Audit recommends:</p> <p>2. Management should obtain written guidance from the City Attorney’s office for the enforcement of code violations that deviate from the standard code enforcement cases.</p>	<p>The current city ordinances create varying times for compliance and different citation charges. US Supreme Court (Timbs v. Indiana, 2019) implications of due process and prohibiting excessive fines will help frame the review of existing ordinances, fee schedules, and practices.</p> <p>Development Services will coordinate with the City Attorney’s office in producing suggested City Ordinance changes to address existing incongruities. Prior city policies will be updated with the City Attorney’s office as in prior practice. City Ordinance revisions and adjustments will need City Council approval.</p> <p>Existing practices will be converted to more formal written processes dealing with site and structure</p>	<p>Not Implemented</p> <p>2.2. The Department Director spent time with the City Attorney’s personnel to begin this activity in the absence of an assistant director. Additionally, the director observed a series of appeal hearings of various types of code enforcement cases to further appreciate the nuanced approach that is needed to creating a flexible standard that will be necessary in implementing this activity 2.2. This item is ahead of schedule.</p>	<p>Not Applicable – Audit report presented at August 8, 2019 Audit Committee meeting.</p>

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		<p>specific circumstances and general best practices for case management.</p> <p>An existing practice of an annual review of betterment practices for the department will continue to fold in the meetings with the City Attorney’s office has occurred prior to this audit which identified this need, independent of the audit, and has resulted in City Ordinance changes earlier in 2019.</p> <p>Responsible Party: Assistant Director, Development Services</p> <p>Implementation Date: 03/30/2020</p>		
2.3	<p>The Office of Internal Audit recommends:</p> <p>3. Management should develop a process for reviewing the City’s Code of Ordinances, as it pertains to code enforcement, to ensure updates are made as necessary.</p>	<p>The current city ordinances create varying times for compliance and different citation charges. US Supreme Court (Timbs v. Indiana, 2019) implications of due process and prohibiting excessive fines will help frame the review of existing ordinances, fee schedules, and practices.</p>	<p>Not Implemented</p> <p>2.3. This item is underway in conjunction with 2.1, and is considered on schedule.</p>	<p>Not Applicable – Audit report presented at August 8, 2019 Audit Committee meeting.</p>

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		<p>Development Services will coordinate with the City Attorney’s office in producing suggested City Ordinance changes to address existing incongruities. Prior city policies will be updated with the City Attorney’s office as in prior practice. City Ordinance revisions and adjustments will need City Council approval.</p> <p>Existing practices will be converted to more formal written processes dealing with site and structure specific circumstances and general best practices for case management.</p> <p>An existing practice of an annual review of betterment practices for the department will continue to fold in the meetings with the City Attorney’s office has occurred prior to this audit which identified this need, independent of the audit, and has resulted in City Ordinance changes earlier in 2019.</p>		
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		<p>Responsible Party: Assistant Director, Development Services</p> <p>Implementation Date: 03/30/2020</p>		
3	<p>The Office of Internal Audit recommends: Development Services management should coordinate with the Finance Department to develop comprehensive policies and procedures showing clear lines of departmental responsibilities regarding the assessment and collections of abatements costs, civil penalties and administrative fees, to include but not limited to the authority to waive/reduce abatement costs, collection agency reporting and periodic reconciliations.</p>	<p>The lack of delineation was determined in January 2019 by the Development Services Director and Assistant Director. Coordination began with the newly appointed Chief Financial Officer to work through the roles of each department. The formalizing of these policies is targeted to occur within the first six months of the current vacant position being filled. The first three months of the new person as the Assistant Director will allow an acclimation of overall duties and documentation of the process in place and issues to resolve.</p> <p>Responsible Party: Assistant Director, Development Service</p> <p>Implementation Date: 03/30/2020</p>	<p>Not Implemented</p> <p>3. Activity on this item is still designed to begin within the first six months of the hiring of an assistant director. The process of finding and hiring a qualified applicant continues. It should be noted that this item of delineating Finance Department and Development Services clear lines is ongoing as it was identified outside of the audit in January 2019. The focus of this finding to code enforcement is still on schedule.</p>	<p>Not Applicable – Audit report presented at August 8, 2019 Audit Committee meeting.</p>