

**City of Fayetteville, NC  
Audit Committee Meeting  
January 28, 2021 @ 3:00 pm  
Virtual Meeting  
Via Zoom**





**Audit Committee Meeting**  
**January 28, 2021 @ 3:00pm**  
**Virtual Meeting**  
**Via Zoom**

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**AGENDA**

1. Call to Order
2. Approval of Agenda
3. Approval of Meeting Minutes
4. Amendment to Audit Committee By-Laws
5. Fiscal Year Ended June 30, 2020 Comprehensive Annual Financial Report and Audit Results *(Presented by Robert E. Bittner III, CPA, MBA, RSM US LLP)*
6. Internal Audit Activities *(Presented by Elizabeth Somerindyke, Internal Audit Director)*:
  - a. WEX Fuel Card Follow-up – Police (A2019-05F)
  - b. Accounts Payable Timeliness (A2020-02)
7. Other Business *(Presented by Elizabeth Somerindyke, Internal Audit Director)*
  - a. Annual Audit Plan Proposed Engagements for FY2021
8. Financial Audit Preparations for Fiscal Year Ending June 30, 2021 *(Requested by Jay Toland, Chief Financial Officer)*
9. Management Reports *(Informational Purposes Only)*
  - a. Internal Audit Annual Report FY2020
  - b. Quarterly Management Implementation Status Report
10. Adjournment

Attachments:

- a) Draft Meeting Minutes – August 6, 2020
- b) Amended Audit Committee By-Laws
- c) WEX Fuel Card Follow-up – Police (A2019-05F)
- d) Accounts Payable Timeliness (A2020-02)
- e) Annual Audit Plan FY 2021
- f) Internal Audit Annual Report FY 2020
- g) Quarterly Management Implementation Status Report 2<sup>nd</sup> Quarter FYE21



**AUDIT COMMITTEE QUARTERLY MEETING MINUTES**  
**ZOOM**  
**THURSDAY, AUGUST 6, 2020**  
**3:00 P.M.**

**Committee Members Present:** Council Member Johnny Dawkins (Chairman)  
Council Member Larry Wright  
Council Member Yvonne Kinston  
Ms. Evelyn Shaw, PWC Chairwoman  
Mr. Warren O'Brian, FTCC Accounting Instructor  
Ms. Amy Samperton, FTCC Director of Procurement & Equipment  
(Vice Chair)

**Staff Present:** Mr. Doug Hewett, City Manager  
Ms. Karen McDonald, City Attorney  
Dr. Telly Whitfield, Assistant City Manager  
Ms. Elizabeth Somerindyke, Internal Audit Director  
Ms. Rose Rasmussen, Senior Internal Audit  
Ms. Amanda Rich, Internal Auditor  
Mr. Jay Toland, Interim Chief Financial Officer  
Mr. Gerald Newton, Development Services Director  
Ms. Sheila Thomas-Ambat, Director of Public Services  
Chief Mike Hill, Fayetteville Fire Department  
Chief Gina Hawkins, Fayetteville Police Department  
Ms. Jennifer Ayre, Deputy City Clerk

**1.0 Call to Order**

Council Member Wright called the meeting to order at 3:00 p.m. and welcomed everyone to the zoom meeting.

**2.0 Welcome New Audit Committee Members**

Ms. Elizabeth Somerindyke, Audit Director introduced the new Audit Committee member, Mr. Warren O'Brian. Mr. O'Brian is a retired Army officer whom served for 21 years. He has now been at FTCC as an Accounting Instructor for 26 years. Council Member Dawkins thanked Mr. O'Brian for being willing to serve on the Audit Board.

**3.0 Approval of Agenda**

**MOTION:** Ms. Evelyn Shaw  
**SECOND:** Ms. Amy Samperton  
**VOTE:** UNANIMOUS (6-0)

**4.0 Approval of Meeting Minutes  
January 23, 2020**

**MOTION: Ms. Evelyn Shaw**  
**SECOND: Ms. Amy Samperton**  
**VOTE: UNANIMOUS (6-0)**

**5.0 Discussion of Appointment of Officers**

Council Member Wright stated the current chair has rotated off and the committee is now required to reappoint officers.

**MOTION: Council Member Wright moved to nominate Council Member Johnny Dawkins as Chair**  
**SECOND: Council Member Kinston**  
**VOTE: UNANIMOUS (6-0)**

**MOTION: Ms. Shaw moved to nominate Ms. Amy Samperton as Vice Chair**  
**SECOND: Council Member Wright**  
**VOTE: UNANIMOUS (6-0)**

**6.0 Internal Audit Activities (Presented by Elizabeth Somerindyke, Internal Audit Director)**

**a. WEX Fuel Card Follow-up Audit – Fire and Finance (A2019-05F)**

The objective of this audit was to determine if the original audit recommendations were implemented. A five percent (5%) sample from September 30, 2019 – November 20, 2019 was selected to review and audit from the original eight (8) findings from May 2019.

The WEX Card agreement has been with the State of North Carolina since April of 2014. The cards are used at participating locations as an alternate to the City fueling site.

All original eight (8) findings presented were implemented.

Discussion ensued.

**MOTION: Council Member Wright moved to accept the Finance WEX Fuel Card Follow-up Audit**  
**SECOND: Ms. Shaw**  
**VOTE: UNANIMOUS (6-0)**

The Fire Department had an additional six (6) recommendations required for implementation regarding the WEX Fuel Card Audit. All original finding recommendations presented were implemented.

Discussion ensued.

**MOTION: Council Member Wright moved to accept the Fire WEX Fuel Card Follow-up Audit**  
**SECOND: Ms. Samperton**  
**VOTE: UNANIMOUS (6-0)**

**b. Police Department Payroll Audit (A2020-01)**

Ms. Somerindyke stated the Internal Audit Department conducted an audit of the Fayetteville Police Department’s Timekeeping and Payroll Process. The objects of the audit were to determine if: time and attendance information agreed with appropriately approved and authorized supporting documentation; including determination if supporting documentation allows for appropriate audit trail; individual and overall time approval were appropriate; payroll changes were appropriately supported, authorized, and verified; hours paid agreed with the supporting documentation; and compensation was in accordance with relevant laws, regulations, guidelines, policies, and procedures.

The audit initially sampled eighteen (18%) percent of Police Department personnel from January 1, 2019 to November 26, 2019 and vacation accruals from January 1, 2019 – August 30, 2019 which equaled six pay periods and three FLSA periods. Internal Audit later selected an additional fifty-one (51%) percent for review due to there being turnover in the original sample. The sample did exclude the E911 communication employees.

Eight (8) findings were identified.

Finding 1: A manual timekeeping process was used which included unnecessary work; ultimately caused payroll errors and impacted timekeeping records. Management partially concurred with the recommendations.

Finding 2: Paper timekeeping forms lacked clarity causing payroll processing errors. Management concurred with the recommendations.

Finding 3: Processing hours worked in the incorrect 28-day FLSA period caused errors in pay. Management concurred with the recommendations.

Finding 4: Payroll authorization reports from JD Edwards were not reviewed to timecards. Management concurred with reservation with the recommendations and will not implement Internal Audit’s recommendation.

Finding 5: Payroll departmental operating procedures required updating to ensure FLSA compliance and clear guidance for all personnel. Management concurred with reservation with the recommendations.

Finding 6: Comprehensive training was not provided to personnel involved in the timekeeping and payroll process. Management did concur with reservations and the Finance department did concur with the recommendations.

Finding 7: Processing timecards for law enforcement personnel on a 2-week basis would improve efficiency. Management partially concurred with the recommendations

Finding 8: There was no assurance exempt personnel were reporting leave time. Management concurred with the recommendations.

Discussion ensued.

**MOTION:** Mr. O’Brian moved to accept the Police Department Payroll Audit  
**SECOND:** Council Member Wright  
**VOTE:** UNANIMOUS (6-0)

## **7.0 Quarterly Management Implementation Status Report**

The purpose of this report is to provide members of the Audit Committee with an update on the progress of management's implementation of recommendations made by the Office of Internal Audit. This report was provided to committee members for informational purposes but was not presented.

## **8.0 Adjournment**

There being no further business, the meeting adjourned at 4:36 p.m.

Respectfully submitted,

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JENNIFER AYRE  
Deputy City Clerk  
080620

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COUNCIL MEMBER JOHNNY DAWKINS  
Chairman





## MEMORANDUM

January 28, 2021

TO: Audit Committee Members

FROM: Elizabeth Somerindyke, Internal Audit Director

RE: Amend Audit Committee By-Laws

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At the November 9, 2020 City Council meeting, Council members adopted a revision to the voting composition of the Audit Committee Charter.

The Audit Committee Charter was historically comprised of three City Council members, one member from the Fayetteville Public Works Commission and two members of the business community, all voting members of the Audit Committee. The City Manager and Internal Audit Director are ex-officio non-voting members. The revised Audit Committee Charter changed the voting composition of the Audit Committee to reflect the member of the Fayetteville Public Works Commission to also be an ex-officio non-voting member.

Article II, Membership, Section 1 of the attached Audit Committee By-Laws is being amended to reflect this revision. Additionally, with the change in voting composition, Article V, Quorum, Section 1 is being amended to reflect three members of the Audit Committee shall constitute a quorum.

Attachment: Amended By-Laws with changes incorporated.



**City of Fayetteville**  
**AUDIT COMMITTEE**  
**Fayetteville, North Carolina**

**By-Laws**

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**ARTICLE I**

**PURPOSE**

**SECTION 1.** The Audit Committee has been established as an advisory committee whose primary purpose is to assist the City Council in fulfilling its oversight responsibilities for the overall stewardship of the City's financial affairs.

The responsibilities of the Audit Committee shall be:

- a) Review and reassess the adequacy of this Charter at least every two years, with any revision submitted to the City Council for approval.
- b) Provide an avenue of communication among the City Council, city management, internal audit, and the independent auditors.
- c) Ensure the City's internal control systems are in place and implemented, including information technology security and control.
- d) Ensure City management implements internal audit report recommendations.
- e) Approve the annual audit plan and all major changes to the plan.
- f) Review the internal audit charter, activities, staffing, and organizational structure of the internal audit function with the City Manager and the Internal Audit Director and recommend any changes to the City Council.
- g) Submit an Annual Report of Audit Committee actions and recommendations to the City Council.
- h) Recommend to the City Council the selection of the independent auditors.
- i) Continually evaluate the independence of the independent auditors.
- j) Review the City's CAFR, management letter and management's response and forward findings to the City Council.

**ARTICLE II**  
**MEMBERSHIP**

**SECTION 1.** The City Council of the City of Fayetteville shall appoint three City Council members; ~~one member from the Fayetteville Public Works Commission~~ and two members of the business community with experience in the finance industry to be voting members of the Audit Committee. The City Manager, one member from the Fayetteville Public Works Commission and the Internal Audit Director shall be ~~an~~-ex-officio non-voting members of the Audit Committee.

**SECTION 2.** Members from the business community shall be appointed for a term of two years. The member from the Fayetteville Public Works Commission shall be appointed for a two year term. The terms of the City Council members shall be appointed for a two year term consistent with their terms of election.

**ARTICLE III**  
**OFFICERS**

**SECTION 1. *Enumeration of Offices*** The officers of the Committee shall be a Chairperson and Vice-Chairperson.

**SECTION 2. *Election of Officers and Term of Office.*** The officers shall each be elected at the regularly scheduled meeting held in July, take office immediately upon election, and serve a one year term or until a successor is elected at the subsequent years quarterly meeting held in July.

**SECTION 3.** Vacant terms of officers may be filled through action taken by the Committee. An officer appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

**SECTION 4.** The Chairperson shall preside at all meetings of the Committee and perform such other duties as may be directed by the Committee.

**SECTION 5.** The Vice Chairperson shall serve as the Chairperson in the absence of the Chairperson.

**SECTION 6.** The officers shall serve without compensation for their services.

## ARTICLE IV

### RESIGNATIONS

**SECTION 1.** In the event that a member chooses to resign from the Audit Committee, such member should notify the Chairperson, in writing. The Chairperson will then immediately notify the members of the Committee of any such resignations. The resignation shall be effective when the notification is received by the Chairperson unless the notification specifies a later time.

## ARTICLE V

### QUORUM

**SECTION 1.** ~~Four~~Three members, excluding the Fayetteville Public Works Commission member, City Manager and Internal Audit Director, shall constitute a quorum.

## ARTICLE VI

### MEETINGS

**SECTION 1. *Regular Meeting.*** A regular meeting of the Committee shall be held quarterly on the fourth Thursday during the months of January, April, July, and October at a time and place to be designated by the Committee. All meetings will be open to the public, to the extent required by North Carolina General Statute 143-318.10.

**SECTION 2. *Special Meetings.*** Special meetings may be called by the Chairperson, or the Vice Chairperson in the absence of the Chairperson, as deemed necessary or desirable. All Special Meetings will be noticed in accordance with North Carolina General Statute.

**SECTION 3.** The Deputy City Clerk will keep minutes of each meeting and offer them for Committee approval as the first item on the subsequent meeting agenda. The minutes should be distributed to Committee members in draft form within a reasonable time after the meeting and in advance of the subsequent meeting. A copy of the approved minutes will be submitted to the Office of Internal Audit.

**SECTION 4.** The Chairperson shall approve an agenda in advance of each meeting. The Committee may request any employee of the City or the independent auditors to attend a meeting of the Committee.

## ARTICLE VII

### AMENDMENTS





**TO:** City of Fayetteville Audit Committee

**FROM:** Jay C. Toland, CMA, CFO

**DATE:** January 28, 2021

**RE:** Fiscal Year Ended June 30, 2020 Comprehensive Annual Financial Report and Audit Results

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**Relationship To Strategic Plan:**

GOAL V: Sustainable Organizational Capacity, Objective A - To ensure strong financial management with fiduciary accountability and plan for future resource sustainability by aligning resources with City priorities.

**Executive Summary:**

The City is required by North Carolina state statute and grantor agencies to have an annual audit. The Audit Committee Charter states that the Audit Committee will review the City's Comprehensive Annual Financial Report (CAFR), management letter and management's response, and forward findings to City Council.

**Background:**

RSM US LLP audited the City's financial statements for the year ended June 30, 2020.

Robbie Bittner, Partner, RSM US LLP will present the results of the audit to the Committee.

The link to the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020 and documents will be provided as soon as they are available, prior to the Audit Committee meeting.







Date: January 28, 2021

To: Gina Hawkins, Police Chief

From: Elizabeth Somerindyke, Internal Audit Director

Cc: Audit Committee  
Douglas J. Hewett, City Manager

Re: Follow-up WEX Fuel Card Compliance Audit (Police Department) Originally Issued May 2, 2019

The Office of Internal Audit has completed the follow-up on the WEX Fuel Card Compliance Audit Report approved by the Audit Committee on May 2, 2019. Internal Audit's objective was to determine whether management implemented corrective actions to audit recommendations reported by the Office of Internal Audit.

The audit concluded on November 24, 2020 when management was informed that of the 17 recommendations, four (24%) were implemented, eight (47%) were not implemented, four (24%) partially implemented, and the status of one (6%) could not be determined. Management subsequently implemented seven additional recommendations, bringing the total implemented recommendations to 11 (65%) of the 17 while two (12%) remained not implemented and four (24%) partially implemented.

### Results

Finding #	Original Audit Recommendation Dated May 2, 2019	Implemented/Partially/Not Implemented
2.1	<p><b><i>Fraud, waste and abuse potentially existed due to lack of internal controls.</i></b></p> <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>(see original audit recommendation 9 for implementation status)</p>
2.2	<p><b><i>Fraud, waste and abuse potentially existed due to lack of internal controls.</i></b></p> <p>Management within the Police Department should consider changing the currently assigned WEX PINs to a confidential PIN.</p>	<p><b>NOT IMPLEMENTED</b></p> <p>Due to segregation of duties, the Finance Department assumed administrative responsibility over the WEX fuel cards and started issuing new randomly selected WEX PINs on March 18, 2020. However, 424 (83%)</p>

		<p>of the 511 original non-confidential PINs remained active.</p> <p>Additionally, Internal Audit noted 504 employees held active PINs:</p> <ul style="list-style-type: none"> <li>• 393 (78%) of 504 employees had 2 active PINs; and</li> <li>• 6 (1%) of 504 employees had 3 PINs.</li> </ul> <p>Following the conclusion of the audit on November 24, 2020, Internal Audit advised management the recommendation was not implemented. Finance Department management <i>subsequently implemented</i> the recommendation by deactivating the original non-confidential PINs that remained active, to include removing multiple PINs assigned to employees.</p>
2.3	<p><b><i>Fraud, waste and abuse potentially existed due to lack of internal controls.</i></b></p> <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><b><i>UNABLE TO DETERMINE STATUS OF IMPLEMENTATION</i></b></p> <p>The City’s Fuel Card Practices and Procedures policy # 315 did not identify personnel that would be eligible to have a WEX PIN issued for use with fuel cards. In addition, Police Department management did not provide internal procedures outlining personnel with the ability and need to use fuel cards therefore requiring a WEX PIN to be issued. For these reasons, Internal Audit was not able to determine personnel required to have an active PIN assigned.</p> <p>It was noted that the following personnel were assigned a PIN not actively used:</p> <ul style="list-style-type: none"> <li>• Reserve officers, administrative personnel and one unidentified individual had active PINs with no WEX fuel card usage; and</li> <li>• Police Department personnel on extended leave to include FMLA and military leave without pay.</li> </ul> <p>Following the conclusion of the audit on November 24, 2020, Internal Audit advised management that the status of the implementation could not be determined. Police Department management <i>subsequently implemented</i> the recommendation by creating a</p>

		procedure that defined when employee PIN's should be deactivated.
2.4	<p><b><i>Fraud, waste and abuse potentially existed due to lack of internal controls.</i></b></p> <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><b>NOT IMPLEMENTED</b></p> <p>The City's Fuel Card Practices and Procedures policy # 315 designates suitable locations where fuel cards should be stored.</p> <p>Due to the COVID 19 Pandemic, Internal Audit was unable to observe where fuel cards were maintained.</p> <p>However, based on Internal Audit inquiry active fuel cards were left in vehicles when turned in for disposal. These fuel cards were not found in a separately keyed or combination lockbox within the vehicles.</p>
3.1	<p><b><i>City-wide and/or departmental written policies and procedures governing fuel card usage and management were not documented.</i></b></p> <p>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>	<p><b>IMPLEMENTED</b></p> <p>The Police Department did not establish a separate policy related to user responsibilities and operational guidance, but used the City's Fuel Card Practices and Procedures policy # 315 which outlines the Department Fuel Card Administrator and provided an appropriate level of guidance.</p>
3.2	<p><b><i>City-wide and/or departmental written policies and procedures governing fuel card usage and management were not documented.</i></b></p> <p>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>	<p><b>IMPLEMENTED</b></p> <p>The City's Fuel Card Practices and Procedures policy # 315 was distributed to Police Department personnel in January 2020 and continues to be distributed to new employees through PowerDMS, a policy management software. (See original audit recommendation #8 for implementation of training)</p>
3.3	<p><b><i>City-wide and/or departmental written policies and procedures governing fuel card usage and management were not documented.</i></b></p>	<p><b>PARTIALLY IMPLEMENTED</b></p> <p>Based on Internal Audit inquiry, the Police Department established a process to ensure PINs were deactivated for personnel no longer employed by the City. However, Internal Audit</p>

	<p>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>	<p>noted 95 active PINs for Police Department personnel that ended employment with the City. Based on Internal Audit review, Finance started issuing PINs on March 18, 2020. Of the 95 PINs:</p> <ul style="list-style-type: none"> <li>• 56 PINs were for personnel that ended employment with the City prior to 3/18/20 indicating the PIN should have been deactivated by the Police Department; and</li> <li>• 39 PINs were for personnel that ended employment with the City after 3/18/20 indicating the PIN should have been deactivated by the Finance Department.</li> </ul> <p>Following the conclusion of the audit on November 24, 2020, Internal Audit advised management the recommendation was partially implemented. Finance Department management <i>subsequently implemented</i> the recommendation by deactivating the 95 active PINs.</p>
<p>3.4</p>	<p><b><i>City-wide and/or departmental written policies and procedures governing fuel card usage and management were not documented.</i></b></p> <p>Sharing PIN's should be considered a violation of policy.</p>	<p><b><i>IMPLEMENTED</i></b></p> <p>The City's Fuel Card Practices and Procedures policy # 315 stated the sharing of PINs is not allowed. No instances of PIN sharing were confirmed, but due to the number of active PINs the likelihood was increased.</p>
<p>4</p>	<p><b><i>Departmental management should perform an appropriate level of review.</i></b></p> <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>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> <p>Although the WEX system allows fuel card controls, establishment of a process to review for exceptions is recommended.</p>	<p><b><i>NOT IMPLEMENTED</i></b></p> <p>The City's Fuel Card Practices and Procedures policy # 315, required departments that use fuel cards to create a departmental process to validate transactions and review for illegal/fraudulent charges.</p> <p>Based on Internal Audit inquiry, the Police Department had not established a process to validate transactions and review for illegal/fraudulent charges, monitor fuel consumption or purchases of higher grade fuel. Therefore, the fuel card charges were not validated, reviewed, or approved for the period audited, September 1, 2019 through August 31, 2020.</p> <p>Following the conclusion of the audit on November 24, 2020, Internal Audit advised management the recommendation was not</p>

		<p>implemented. Police Department management <i>subsequently partially implemented</i> the recommendation. The department created procedures that required a monthly review by the Police Department’s fuel card administrator, to include monitoring for fuel consumption, type of fuel purchased, abnormalities and exceptions and provided documentation reflecting a review and follow-up of fuel card transactions for November 2020.</p>
5.1	<p><b><i>WEX fuel cards were not inventoried and could not be located.</i></b></p> <p>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>	<p><b><i>NOT IMPLEMENTED</i></b></p> <p>The City’s Fuel Card Practices and Procedures policy # 315 did not require an annual physical verification, although it did specify that departments maintain an inventory record and reconciliation of cards evidenced by documentation.</p> <p>In addition the Police Department did not develop internal procedures requiring a physical verification annually.</p> <p>A physical verification took place due to card replacements in March and May 2020. The card reissuance required Police Department personnel to sign a form indicating issuance of a new fuel card. Based on Internal Audit inquiry, documentation was not received for all cards issued; therefore, the annual physical verification of all fuel cards was not complete.</p> <p>Following the conclusion of the audit on November 24, 2020, Internal Audit advised management the recommendation was not implemented. Police Department management <i>subsequently implemented</i> the recommendation by creating procedures requiring a monthly random sample of fuel cards to be physically verified and documented.</p>
5.2	<p><b><i>WEX fuel cards were not inventoried and could not be located.</i></b></p> <p>Unaccounted for fuel cards should be deactivated immediately.</p>	<p><b><i>IMPLEMENTED</i></b></p> <p>By default, all cards were deactivated due to the card replacements in March and May 2020.</p>
5.3	<p><b><i>WEX fuel cards were not inventoried and could not be located.</i></b></p> <p>Management should develop and maintain a listing of vehicles and the fuel cards</p>	<p><b><i>PARTIALLY IMPLEMENTED</i></b></p> <p>The assigned vehicle for each fuel card was listed in the WEX fuel card system. Therefore, an active fuel card list, obtained from the WEX</p>

	<p>assigned, to include spare and miscellaneous fuel cards.</p>	<p>system, would show the fuel card assigned to each vehicle.</p> <p>However, the WEX fuel card system did not identify the location of the spare and miscellaneous fuel cards. The listing provided by the department did not include the location of spare and miscellaneous fuel card and their existence was not validated.</p>
<p>5.4</p>	<p><b><i>WEX fuel cards were not inventoried and could not be located.</i></b></p> <p>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><b><i>NOT IMPLEMENTED</i></b></p> <p>Internal Audit’s review noted 88 active WEX fuel cards assigned to units the Police Department identified as a surplus unit or disposed:</p> <ul style="list-style-type: none"> <li>• 37 Fuel cards were assigned to vehicles that went through the disposal process prior to March 1, 2020 indicating the card should have been deactivated by the Police Department; and</li> <li>• 51 fuel cards were assigned to vehicles that went through the disposal process after March 1, 2020 indicating the card should have been deactivated by the Finance Department.</li> </ul> <p>Following the conclusion of the audit on November 24, 2020, Internal Audit advised management the recommendation was not implemented. Finance Department management <i>subsequently implemented</i> the recommendation by deactivating the 88 active fuel cards. However, an active fuel card report from the WEX reporting system was not provided to validate this statement.</p>
<p>5.5</p>	<p><b><i>WEX fuel cards were not inventoried and could not be located.</i></b></p> <p>Establish a process in which fuel cards without activity for a given period of time are deactivated.</p>	<p><b><i>NOT IMPLEMENTED</i></b></p> <p>There was no process in place to review fuel card inactivity to determine if fuel cards needed deactivation.</p> <p>Following the conclusion of the audit on November 24, 2020, Internal Audit advised management the recommendation was not implemented. Police Department management <i>subsequently implemented</i> the recommendation by creating a Police Department WEX/Fuel Card Standard Operating Procedure which requires an unused card report to be run and</p>

		reviewed monthly for cards that have not been utilized in 30 or more days.
5.6	<p><b><i>WEX fuel cards were not inventoried and could not be located.</i></b></p> <p>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><b><i>NOT IMPLEMENTED</i></b></p> <p>The Police Department requested personnel to provide the card number in their vehicle or possession.</p> <p>However, the documentation received by Internal Audit reflecting the physical inventory was not complete for all WEX fuel cards maintained by the Police Department.</p>
6	<p><b><i>Internal controls were lacking in the City's WEX fuel card online program.</i></b></p> <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><b><i>NOT IMPLEMENTED</i></b></p> <p>Based on Internal Audit review, controls in WEX were not being used and the department did not establish alternative controls to detect exceptions. Internal Audit noted WEX transactions:</p> <ul style="list-style-type: none"> <li>• Exceeding the fuel capacity for the unit;</li> <li>• Wrong fuel type for the unit;</li> <li>• More than one transaction in a day; and</li> <li>• Purchases other than fuel.</li> </ul> <p>Following the conclusion of the audit on November 24, 2020, Internal Audit advised management the recommendation was not implemented. Police Department management <i>subsequently implemented</i> the recommendation by creating procedures, in lieu of utilizing WEX online controls, which requires a monthly review to be conducted by the Police Department's fuel card administrator to monitor for exceptions.</p>
8	<p><b><i>Training and accountability were not required.</i></b></p> <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><b><i>PARTIALLY IMPLEMENTED</i></b></p> <p>Training on the City's Fuel Card Practices and Procedures policy # 315 was created by the Finance Department and distributed through PowerDMS in September 2020. However, not all Police Department personnel received or completed this training. (see 3.2 for implementation of policies and procedures)</p> <p>Following the conclusion of the audit on November 24, 2020, Internal Audit advised management the recommendation was partially implemented. Police and Finance Department</p>

		management are reissuing training to all Police Department personnel on March 1, 2021 through Power DMS.
9	<p><b><i>Fraudulent use of WEX fuel card occurred.</i></b></p> <p>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.</p>	<p><b><i>PARTIALLY IMPLEMENTED</i></b></p> <p>The City's Fuel Card Practices and Procedures policy # 315 was created and acknowledged by the department. However, the department did not establish processes that provided sufficient internal controls as identified in the WEX Fuel Card Compliance audit report and outlined in the City policy. Without controls in place and a comprehensive review of WEX fuel card transactions, an environment for fraudulent activity remains which could ultimately cause an increase in fuel expenditures. (Combined with Recommendation 2.1)</p> <p>Following the conclusion of the audit on November 24, 2020, Internal Audit advised management the recommendation was partially implemented. Police Department management subsequently implemented several of the recommendations as outlined in this report.</p>

DRAFT





Office of Internal Audit

**Compliance Audit 2020-02  
Accounts Payable Timeliness**

**January 2021**

**Director of Internal Audit**  
Elizabeth Somerindyke

**Senior Internal Auditor**  
Rose Rasmussen

**Internal Auditor**  
Amanda Rich



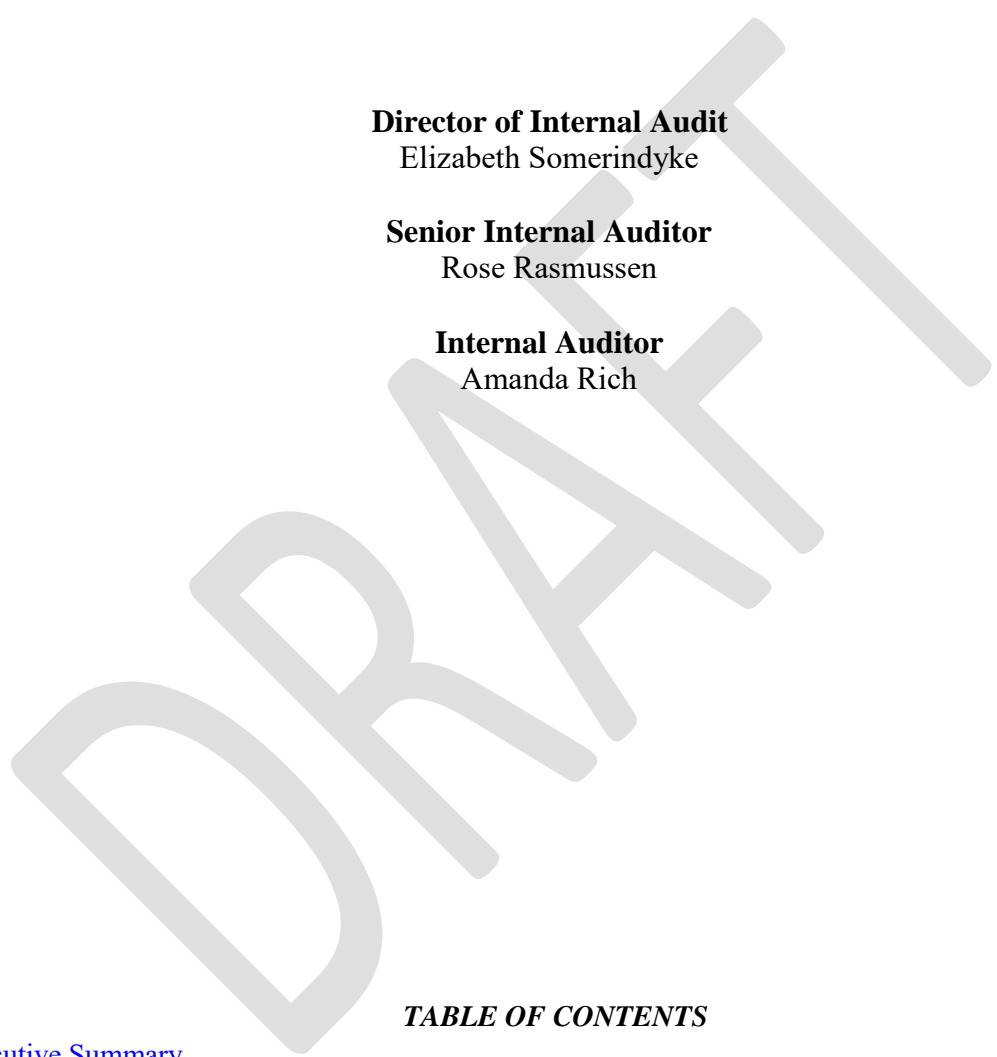
**OUR MISSION**

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***

In accordance with the Fiscal Year 2020 Audit Plan, Internal Audit conducted an audit of the timeliness of accounts payable (AP) processing. The purpose of the audit was to determine if adequate internal controls were in place to process payments in an efficient and timely manner.

The Accounts Payable Division is responsible for paying approved invoices to previously approved vendors, within specified vendor payment terms. This process is dependent on the efforts of City departments who validate the goods and services were satisfactorily received or performed and process the invoices for submission to the Accounts Payable Division in a timely manner.

The scope of the audit included AP invoices totaling approximately \$2.4 million from various suppliers and entities from January 1, 2019 to December 31, 2019. The scope of the work specifically excluded procurement card transactions, utility bills and health care costs, as these payments are generally drafted automatically.

The Office of Internal Audit concluded that there were two noteworthy areas of opportunity around timeliness of payments and controls for ACH payments. For a detailed explanation of each of the findings please refer to the appropriate finding contained in the body of this Audit Report.

1. Key performance indicators and policies for the timely payment of invoices had not been established.
2. ACH processing lacked internal controls.

## ***BACKGROUND***

The City's accounts payable function is decentralized from the Finance Department, Accounts Payable Division. The voucher entries to pay vendors and contractors after goods or services have been received are executed by accounts payable representatives in each department which are due to the Finance Department Accounts Payable Division by Friday at 4:00 PM for a check to be issued the following Friday. The Accounts Payable Division reviews the voucher entries and processes the payments. The Accounts Payable Division has three full-time equivalents (FTEs) dedicated to the payment function.

The role of the Accounts Payable staff in reimbursing vendors is only a part of the process to appropriately pay for the goods and services acquired by City staff. Purchasing and receiving of goods and services is performed by all departments in the City. Department staff procure goods and services through the Purchasing Division of the Finance Department, which provides a centralized approach for bid specification and solicitations for any apparatus, supplies, equipment, and materials for all departments. In order for the Accounts Payable Division to effectively carry out its duties, they have to collaborate with other departments, to include the Purchasing Division within the Finance Department.

## ***AUDIT OBJECTIVES***

The objectives of this audit were to evaluate policies and procedures relating to the accounts payable process and determine if internal controls over accounts payable disbursements are adequate and effective with respect to responding to risks within the City regarding the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets, and compliance with laws, regulations and contracts.

## ***AUDIT SCOPE***

The scope of the audit included invoices processed from January 2019 to December 2019. Based on a 95% confidence level and a 5% tolerable deviation, Internal Audit selected 381 invoices by random sample or auditor judgement to review.

## **AUDIT METHODOLOGY**

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

- Interviewed personnel from the Finance Department;
- Reviewed the City of Fayetteville General Contracting and Purchasing Practices and Procedures, North Carolina General Statutes and any other applicable memorandums or directives related to accounts payable for compliance;
- Reviewed invoices and associated documentation; and
- Considered risk of fraud, waste and abuse.

## **FINDINGS, RECOMMENDATIONS, AND MANAGEMENT'S RESPONSES**

### **Finding 1**

***Key performance indicators and policies for the timely payment of invoices had not been established.***

Criteria: Based on the Performance Management Framework for State and Local Governments developed by the ICMA, the use of performance management provides insight on how well an organization performs. More importantly the data can be used to make informed decisions and promote operational effectiveness and efficiencies.

Principle 12 of the GAO's Standards for Internal Controls requires management to implement control activities by documenting what is expected through policies and periodically review for continued relevance and effectiveness in achieving the stated objectives or addressing related risks.

Condition: Accounts payable did not have key performance indicators or policies established defining timely payment of invoices.

Based on information available from the sampled invoices, the average number of days for the Finance Department to issue payment were:

- 84 days from invoice date, and;
- 70 days from due date.

Defining timely payment as 30 days or less from the invoice date, 43% of the invoices sampled were considered timely.

Internal Audit noted the timeliness of payment improved when invoices were initially received by the Finance Department.

Cause: The Finance Department had key performance indicators, however, indicators for timely payment of invoices had not been established.

Internal Audit noted the following as possible conditions that allowed for untimely payment of invoices:

- Decentralized accounts payable process where invoices are not emailed or mailed to a centralized location for accountability.
- Purchase orders were not obtained by City departments prior to obligating purchases, as required by North Carolina General Statute 159-28 and City Policy #120. Therefore, purchase orders were issued after the invoice was received causing a delay in payment.

Effect: Commitments not encumbered prior to purchase and delayed vendor payments could result in overspending. Delayed payments could negatively impact the City's reputation or cause relationships to be

strained with vendors. Ultimately the City would not be able to take advantage of early pay discounts or negotiate discounts for timely payments, if available.

### **Recommendation**

The Finance Department should:

1. Establish and monitor policies and key performance indicators (KPI) for the timely payment of invoices.
2. Modify or create a process for streamlining the receiving of invoices within individual departments in order to expedite vendor payments.
3. Communicate all requirements and implementation methods to ensure compliance.

### **Management's Response**

1. We concur. Management is in full agreement with the recommendation.  
Management will define timely payment of invoices as 75 days from invoice date. We recognize that Net 30 is widely considered standard payment terms but due to decentralized operations, we will work toward Net 30 as a future aspirational goal. Policies will be updated to reflect the 75 day period and a 75 day KPI will be launched to measure performance. The KPI will be measured monthly to ensure invoice payments are in line with goals and to identify areas of improvement.
2. We partially concur. Management is in agreement with a portion of the recommendation.  
Accounts payable is a decentralized operation and Finance has limited control. However, we will use our authority to lead an effort for streamlining the receiving of invoices and improving the timeliness of vendor payments. Finance staff will resume enhanced departmental training following the pandemic. Training will highlight review of policy, policy updates and the importance of monitoring policy for compliance. Procedural reviews and a general reevaluation of the accounts payable process will be initiated. To ensure clarity we will discuss and determine accountability and responsibility for each task in the accounts payable process. Training will include a demonstration of established KPIs in real-time to validate the effectiveness of the department's efforts. Our goal is to encourage and promote a culture of appreciation and compliance with policies and procedures that will effectively improve the payment process.
3. We concur. Management is in full agreement with the recommendation.  
Management will communicate requirements and implementation methods by issuing updated policies, offering in-depth and all-inclusive training and through direct communication with departmental staff and management.

Responsible Party: 1) Christine Pressley, AP Supervisor 2) Jay Toland, CFO

Implementation Date: April 1, 2021

### **Finding 2**

***ACH processing lacked internal controls.***

***Criteria:*** Principle 10 of the GAO's Standards for Internal Controls requires control activities to be designed by management to achieve objectives and respond to risks, to include management controls over information processing by controlling access to data, files and programs.

Controls should be in place to ensure data exported from JD Edwards for ACH (Automated Clearing House) processing is read only and an independent review is completed after payments are submitted. User access should be limited to information technology through authorization such as providing a unique user identification or token to authorized users.

***Condition:*** Payments were made to vendors by paper check or ACH. The ACH process required the Finance Department Accounting Technician to generate reports and make edits in JD Edwards followed by an

upload of the payments for processing by the financial institution. The JD Edwards file used for uploading, which includes the amount of payment and the vendor's bank account number and routing number, was exported to a document that was not in a 'read only' format and could be edited before submitting to the financial institution for processing.

Following the aforementioned ACH payment process, there was no additional review of JD Edward files to the ACH report submitted to the financial institution to ensure the vendor's bank account information was accurately exported to the financial institution.

A token code is required to log into the City's bank account to upload ACH payments. The token code was assigned to an employee but was shared by Finance Department, Accounts Payable personnel.

*Cause:* ACH processing for payments is becoming more prevalent amongst vendors. The process was recently implemented by the City and is ever evolving, but departmental instructions in place had not been updated to mitigate risks and no formal departmental policies were developed.

*Effect:* There is a risk of payment and/or bank account information being altered during ACH payment processing with the inability to determine the employee that completed the ACH data upload to the financial institution.

### **Recommendation**

1. Procedures in the Finance Department should be implemented to require an independent review of ACH payments after the information is uploaded and sent to the financial institution for payment.
2. Personnel in the Finance Department, Accounts Payable Division should each have a unique token code for the financial institution when processing ACH payments.

### **Management's Response**

1. We concur. Management is in full agreement with the recommendation.  
A process is currently in place for independent review and matching of printed checks to system generated reports and source documents prior to mailing. The ACH payment review will be an addition to this process in order to comply with and improve internal control.
2. We concur. Management is in full agreement with the recommendation.  
Additional tokens have been ordered and employees will be assigned a unique token for creating unique authentication credentials. System access will be granted based on assigned roles.

Responsible Party: 1) Christine Pressley, AP Supervisor 2) Jay Toland, CFO

Implementation Date: March 1, 2021

### ***CONCLUSION***

Internal Audit has concluded work on the audit of accounts payable timeliness. Based upon test work performed, Internal Audit concludes:

1. Defining timely payment as 30 days or less from invoice date, only 43% of the invoices sampled were paid within 30 days or less from the invoice date. Key performance indicators (KPI) defining timely payment of invoices should be established. Process streamlining of accounts payable could improve the timeliness of vendor payments.
2. Internal controls over the ACH process should be evaluated and updated, to include adequate review of ACH payments once files have been submitted to the financial institution for payment.

Internal Audit identified additional areas creating risks for the City of Fayetteville. These were not part of the conducted audit but will need to be addressed as the City migrates to the Oracle Cloud ERP to ensure highly effective implementation and efficient use of the new finance system:

1. Timely record transactions ensuring general ledger dates are accurate. Transactions should be timely and accurately recorded to maintain the relevance and value for financial analysis and management decisions.

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.

Distribution:

Audit Committee

Douglas J. Hewett, City Manager

Telly Whitfield, Ph.D., Assistant City Manager

Jay Toland, Chief Financial Officer

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Office of Internal Audit

# Annual Audit Plan

## Fiscal Year 2021

**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 2021**

A. Audit Projects Carried Forward from 2020 Work Plan		Estimated Hours	Total
<b>A.1.</b>	<b>In Progress</b>		
	Vector Fleet Contract	1200	
	Accounts Payable Timeliness	60	
	WEX Gas Cards Follow-up (Police only)	200	
<b>A.2.</b>	<b>For Completion</b>		
	Permitting and Inspections Follow-up	240	
<b>Total Hours for Audit Projects Carried Forward from 2020 Work Plan</b>			<b>1700</b>
B. New Audit Projects for 2020-2021			
<b>B.1</b>	<b>Initial Audit Projects</b>		
	Police Department Confidential Funds	150	
	Wireless Communication Usage (Cell Phones)	300	
	Community Development Housing Rehabilitation Program	300	
	Changes to Employee Pay	240	
<b>Total Hours for New Audit Projects for 2020-2021</b>			<b>990</b>
C. Follow-up Projects for 2020-2021			
<b>C.1</b>	<b>Initial Follow-up Audit Projects</b>		
	Evidence and Property Management	240	
<b>Total Hours for Follow-up Projects for 2020-2021</b>			<b>240</b>
D. Audit Management and Administration			
	Other City Auditor Duties	422	
	Proxy Card Review	160	
	ERP Validation and Verification Project & Risk Assessment	200	
	Office Management/Support	1612	
	Staff Development	240	
	Approved Holidays	264	
	Approved Employee Leave	412	
<b>Total Audit Management and Administration</b>			<b><u>3310</u></b>
<b>Total Hours</b>			<b><u><u>6240</u></u></b>
E. For Future Audit Projects 2021-2026			
	<i>Tags and Titles (CoF only)**</i>	40	
	<i>Small Asset Management**</i>	240	
	<i>Downtown Parking Collection**</i>	960	
	<i>Citywide Payroll Processes**</i>	960	
	<i>Off Boarding Access Rights**</i>	480	
	<i>Body Cam Policy Compliance**</i>	480	
<b>Total Hours for Future Audit Projects</b>			<b><u><u>3160</u></u></b>

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

**A. Audit Projects Carried Forward from 2020 Work Plan**

**A.1. In Progress**

<b>Vector Fleet Contract</b>	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.
<b>Accounts Payable Timeliness</b>	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.
<b>WEX Gas Cards Follow-up (Police Only)</b>	The audit will determine that previously identified audit findings have been remediated by management as stated in management's responses.

**A.2. For Completion**

<b>Permitting and Inspections Follow-up</b>	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 2020-2021**

**B.1 Initial Audit Projects**

<b>Police Department Confidential Funds</b>	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.
<b>Wireless Communication Usage (Cell Phones):</b>	The audit will assess the City's wireless communication usage to identify areas of risk and opportunities for potential savings.
<b>Community Development Housing Rehabilitation Program</b>	The audit will assess the Housing loans (deferred loans, down payment assistance and housing rehabilitation loans and development loans) to ensure compliance with the contract with AmeriNat.
<b>Changes to Employee Pay</b>	The audit will determine if adjustments to and deductions from Employee base pay were properly approved, accurately calculated, processed timely and adequately supported.

**C. Follow-up Projects for 2020-2021**

**C.1 Initial Follow-up Audit Projects**

<b>Evidence and Property Management Follow-up</b>	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**

<b>Other City Auditor Duties</b>	This category describes the time that the Office of Internal Audit maintains the Fraud, Waste, and Abuse Hotline and other miscellaneous fraud reports
<b>Proximity Card Access Annual Review</b>	Proximity Card Access Policy requires an annual audit of all proximity card systems to ensure proper controls were followed for activation and deactivation.
<b>ERP Validation and Verification Project &amp; Risk Assessment</b>	Support City Contractor for the purpose of evaluating the ERP transformation. Participate in the City's internal risk team for the ERP transformation.
<b>Office Management/Support</b>	This category describes the time that the Office of Internal Audit spends attending meetings involving the activities and responsibilities of the Audit Committee.
<b>Staff Development</b>	Professional staff of the City Auditor's Office is required to obtain professional education each year.
<b>Approved Holidays</b>	This category of leave is for approved holidays for all staff.
<b>Approved Employee Leave</b>	This category describes leave earned and taken each year as personal leave and leave taken for medical purposes.

**Audit Work Plan 2021**

**E. Future Audit Projects 2021 - 2026**

<b>Tags and Titles (CoF only)**</b>	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.
<b>Small Asset Management**</b>	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.
<b>Downtown Parking Collection**</b>	The audit will evaluate the efficiency and effectiveness of the City's parking management contract with Republic Parking System. 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.
<b>Citywide Payroll Processes**</b>	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.
<b>Off Boarding Access Rights**</b>	The audit will evaluate the internal controls related to IT access rights during employee off boarding process.
<b>Body Cam Policy Compliance**</b>	The audit will evaluate whether body worn cameras were being used and executed in accordance with established laws, regulations, guidelines, policies and procedures.

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



**FINANCE DEPARTMENT**

**TO:** City of Fayetteville Audit Committee

**FROM:** Jay C. Toland, CMA, CFO

**DATE:** January 28, 2021

**RE:** Financial Audit Preparations FYE - 2021

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**Relationship To Strategic Plan:**

GOAL V: Sustainable Organizational Capacity, Objective A - To ensure strong financial management with fiduciary accountability and plan for future resource sustainability by aligning resources with City priorities.

**Executive Summary:**

The City and PWC are required by North Carolina state statute and grantor agencies to have an annual audit. The Audit Committee Charter states that the Audit Committee will recommend to the City Council the selection of the independent auditor and to continually evaluate the independence of the independent auditor.

**Background:**

The City and PWC's current independent auditor, RSM US LLP, has withdrawn itself from the North Carolina government market. The current staff for RSM US LLP have subsequently been employed by PBMares LLP, an audit firm with governmental experience out of Virginia.

**Issues:**

Staff intends to put the annual audit out to bid through the RFP process. Upon completion of the RFP process, staff will make a recommendation on selection of the independent auditor to the Audit Committee.

**Budget Impact:**

Audit services are budgeted on an annual basis. The RFP requires cost sheets to be included in all proposals.

**Options:**

n/a

**Recommended Action:**

Information only

**Attachments:**

None







Office of Internal Audit

# Internal Audit Annual Report

**Fiscal Year 2020**

**Director of Internal Audit**

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Amanda Rich



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**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.

<b>Key Performance Measures</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Actual</b>	<b>FY 2021 Target</b>
% of Internal Audit recommendations accepted by management	100%	100%	100%

Acceptance of audit recommendations is an indicator of service quality. In fiscal year 2020, management accepted and provided estimated implementation dates for 12 of 12 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**

<b>AUDITS</b>	<b>STATUS</b>
<p><b>Code Violations Enforcement and Collections (A2019-06)</b>                      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><b>Report Issued August 2019</b></p>
<p><b>Residential Solid Waste Fees (A2019-04)</b>                      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.</p>	<p><b>Report Issued October 2019</b></p>
<p><b>Police Department Confidential Funds (A2020-03)</b>                      The Police Department generally adhered to the organization’s policies and procedures; applicable laws, regulations and guidelines during the period January 1, 2019 through October 31, 2019. The Police Department’s VICE Investigative 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, Operating Procedures 6.2 and 5.8 should be updated to address prior year audit findings.</p>	<p><b>Report Issued January 2020</b></p>
<p><b>Police Payroll Audit (A2020-01)</b>                      Since a paper timekeeping process has to be used until the electronic timekeeping system can be implemented, the Police Department payroll process needs to be updated and streamlined to ensure Police Department personnel are paid accurately and timely. In order to accomplish this, the Police Department needs to collaborate with the Finance and Human Resource Development Departments and the City Attorney’s Office on any timekeeping and payroll process changes to ensure all applicable guidelines are followed. In addition, personnel involved in the timekeeping and payroll process should be thoroughly trained on all applicable guidelines related to the process to include the FLSA.</p>	<p><b>Report Pending Release</b></p>
<p><b>WEX Fuel Card Follow-up Audit (Fire and Finance Departments) (A2019-05F)</b>                      Management implemented corrective actions to address the audit recommendations reported in the original audit.</p>	<p><b>Report Pending Release</b></p>
<p><b>Accounts Payable Timeliness (A2020-02)</b>                      Areas of opportunity noted were establishing performance measures defining timely payment of invoices; streamlining the accounts payable process; and strengthening controls over the ACH process. In addition, as the City migrates to the Oracle Cloud ERP to ensure highly effective implementation and efficient use of the new finance system, transactions should be timely and accurately recorded to maintain the relevance and value for financial analysis and management decisions.</p>	<p><b>Report In Progress</b></p>
<p><b>Fleet Contract (A2020-04)</b>                      The objectives of this audit were to assess whether the system of internal controls were adequate and appropriate for effective contract compliance with selected provisions of the executed contract as it relates to payments. As of June 30, 2020 this audit was still in progress.</p>	<p><b>Audit In Progress</b></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 2020, there were 8 incidents reported of which 25% were reported through the Fraud Hotline. Table 1 summarizes the various types of allegations received.

<b>TABLE 1</b>	<b>25%</b>	<b>75%</b>	<b>100%</b>
<b>ALLEGATION TYPE</b>	<b>HOTLINE</b>	<b>NON-HOTLINE</b>	<b>TOTAL</b>
Accounting/Audit Irregularities	0	1	1
Customer Relations	1	0	1
Employee Relations	0	1	1
Falsification of Company Records	0	1	1
Fraud	0	1	1
Policy Issues	1	2	3
<b>TOTAL</b>	<b>2</b>	<b>6</b>	<b>8</b>

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 2020.

<b>TABLE 2</b>	<b>ASSIGNMENT</b>		
<b>DISPOSITION</b>	<b>REFER</b>	<b>INVESTIGATE</b>	<b>TOTAL</b>
Department Resolution	1	0	1
Non-Actionable	N/A	0	0
Unsubstantiated	0	2	2
Open/Ongoing Allegations	0	2	2
Substantiated	0	0	0
Substantiated – No Violation	0	3	3
Inconclusive	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>7</b>	<b>8</b>

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 2020 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; 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 146 new employees during new employee orientation (NEO). This training is on an ongoing bi-weekly basis. However, as a response to the COVID-19 Pandemic, the Internal Audit presentation was recorded, and the video was used in lieu of Internal Audit presenting in person to limit personnel contact and potential exposure. The recording was used to train approximately 72 new employees.

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.

Due to the COVID-19 Pandemic, Internal Audit’s training and career development for fiscal year 2020 included webinars offered through the ALGA (Association of Local Government Auditors), the IIA (Institute of Internal Auditors), the ACFE (Association of Certified Fraud Examiners), and Cherry Bekaert LLP. This training included specific training for local government auditors, ethics, fraud, and Governmental Accounting Standards updates. Additionally, personnel continue to study for the Certified Internal Auditor certification exams. Internal Audit personnel are members of ALGA, the AICPA (American Institute of Certified Public Accountants), the NCACPA (North Carolina Association of Certified Public Accountants), the IIA and the ACFE.

### ***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

January 28, 2021

TO: Audit Committee Members

FROM: Elizabeth Somerindyke, Internal Audit Director

RE: Quarterly Management Implementation Status Report

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### **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 of the audit reports where all the recommendations have NOT been fully implemented. 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.





**Office of Internal Audit**  
**Quarterly Management Implementation Status Report**  
**Fiscal Year 2020 - 2021 (2<sup>nd</sup> Quarter)**

Audit Title	Date Released	Issued	Accepted	Implemented	Recommendations	
					Partially Implemented	Not Implemented
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	35	0	1
Performances Measures A2018-04	January 2019	4	4	4	0	0
PRM Nonresident Fees A2016-05	January 2019	7	7	6	0	1
Code Violation Enforcement and Collections A2019-06	August 2019	7	7	7	0	0
Residential Solid Waste Fees A2019-04	October 2019	5	5	1	3	1
Police Payroll A2020-01	August 2020					
Police Department		14	14	8	3	3
Finance Department		4	4	3	0	1



**Office of Internal Audit**  
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KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	<b>Recommendation</b>	<b>Management Response</b>	<b>Management Follow-up Response – January 28, 2021</b>	<b>Management Follow-up Response – October 22, 2020</b>

**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 &amp; 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"> <li>a. Define the process for determining whether the resident or nonresident fee should be charged;</li> <li>b. Establish specific guidance on what areas, if any, of Fort Bragg should be charged the resident</li> </ol>	<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>	<b>Implemented</b>	<b>Implemented</b>
			<p>This recommendation has been implemented. Implementation took place during Recreation District Meetings in the month of October 2019.</p>	<p>This recommendation has been implemented. Implementation took place during Recreation District Meetings in the month of October 2019.</p>

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**A2016-05 Parks, Recreation and Maintenance Nonresident Fees Implementation**

	<p>fees; and</p> <p>c. Establish specific guidance and expectations on charging swimming pool and Adult Open Play Athletic fees.</p>	<p><b>Responsible Party:</b> Adrienne Thomas, Business Manager</p> <p><b>Implementation Date:</b> 07/01/2019</p>		
1.2	<p>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.</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 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</p>	<p><b>Implemented</b></p> <p>This recommendation has been implemented. Implementation took place during Recreation District Meetings in the month of October 2019.</p>	<p><b>Implemented</b></p> <p>This recommendation has been implemented. Implementation took place during Recreation District Meetings in the month of October 2019.</p>

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**A2016-05 Parks, Recreation and Maintenance Nonresident Fees Implementation**

		<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><b>Responsible Party:</b> Adrienne Thomas, Business Manager</p> <p><b>Implementation Date:</b> 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><b>Implemented</b></p> <p>This recommendation has been implemented. Implementation took place during Recreation District Meetings in the month of October 2019.</p>	<p><b>Implemented</b></p> <p>This recommendation has been implemented. Implementation took place during Recreation District Meetings in the month of October 2019.</p>

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**A2016-05 Parks, Recreation and Maintenance Nonresident Fees Implementation**

		<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><b>Responsible Party:</b> Adrienne Thomas, Business Manager</p> <p><b>Implementation Date:</b> 07/01/2019</p>		
2	<p>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.</p>	<p>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</p>	<b>Implemented</b>	<b>Implemented</b>
			<p>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.</p>	<p>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.</p>

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**A2016-05 Parks, Recreation and Maintenance Nonresident Fees Implementation**

		<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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**A2016-05 Parks, Recreation and Maintenance Nonresident Fees Implementation**

		<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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**A2016-05 Parks, Recreation and Maintenance Nonresident Fees Implementation**

		<p><b>Responsible Party:</b> Adrienne Thomas, Business Manager</p> <p><b>Implementation Date:</b> 07/01/2019</p>		
3	<p>The Office of Internal Audit recommends management amend the written <i>Fayetteville-Cumberland Parks &amp; 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><b>Responsible Party:</b> Recreation Division Supervisor</p> <p><b>Implementation Date:</b> 07/01/2019</p>	<b>Implemented</b>	<b>Implemented</b>

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**A2016-05 Parks, Recreation and Maintenance Nonresident Fees Implementation**

	<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>	<b>Status Unknown</b>	<b>Status Unknown</b>

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**A2016-05 Parks, Recreation and Maintenance Nonresident Fees Implementation**

		<p>enhance day-to-day support/user experience, identify and resolve issues and improve process efficiencies as online transactions grow.</p> <p><b>Responsible Party:</b> Michael Gibson, PRM Director and Adrienne Thomas, Business Manager</p> <p><b>Implementation Date:</b> 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><b>Implemented</b></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><b>Implemented</b></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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<b>A2016-05 Parks, Recreation and Maintenance Nonresident Fees Implementation</b>				
		<b>Responsible Party:</b> Michael Gibson, PRM Director and Adrienne Thomas, Business Manager  <b>Implementation Date:</b> 03/01/2019		

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**A2019-04 Residential Solid Waste Fees**

1.1	<p>The Office of Internal Audit recommends management:</p> <ol style="list-style-type: none"> <li>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;</li> </ol>	<p>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.</p> <p><b>Responsible Party:</b> Public Services Director</p> <p><b>Implementation Date:</b> 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.</p>	<p><b>Partially Implemented</b></p> <p>Solid Waste Management asked three consultant firms for proposals to revise the Solid Waste Ordinance by:</p> <ul style="list-style-type: none"> <li>Researching and presenting <b>Model Ordinances.</b></li> <li>Recommend <b>Operational</b> changes in the ordinance that will enhance solid waste services and collections.</li> <li>Recommend penalties for violations through <b>Best Practice.</b></li> <li><b>Ordinance clarity</b> – ensure the ordinance is understandable for easy compliance.</li> </ul> <p>Purchasing is in the process of creating a GSA with GBB to revise the SW Ordinance. The estimated delivery time for the final ordinance is 13-15 weeks, approximately April 30, 2021.</p>	<p><b>Not Implemented</b></p> <p>Solid Waste Management is in the process of reviewing the Solid Waste Ordinance and has completed a number of internal meetings.</p> <p>Management will seek Council support and guidance regarding the City’s Level of Service Expectations in the format of a preliminary work session presentation. Original completion date for this was April 30, 2020. Due to COVID 19 this presentation has been postponed. Staff is on calendar to present to Council on October 12, 2020. Full ordinance amendments pending Council approval is expected August 2021.in Nov 2020.</p>
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**A2019-04 Residential Solid Waste Fees**

			Full ordinance amendments approval is expected in June 2021.	
1.2	<p>The Office of Internal Audit recommends management:</p> <p>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.</p>	<p>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.</p> <p><b>Responsible Party:</b> Public Services Director</p> <p><b>Implementation Date:</b> 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.</p>	<p><b>Partially Implemented</b></p> <p>Solid Waste Management asked three consultant firms for proposals to revise the Solid Waste Ordinance by:</p> <ul style="list-style-type: none"> <li>• Researching and presenting Model Ordinances.</li> <li>• Recommend Operational changes in the ordinance that will enhance solid waste services and collections.</li> <li>• Recommend penalties for violations through Best Practice.</li> <li>• Ordinance clarity – ensure the ordinance is understandable for easy compliance.</li> </ul> <p>Purchasing is in the process of creating a GSA with GBB to revise the SW Ordinance. The estimated delivery time for the</p>	<p><b>Not Implemented</b></p> <p>Solid Waste Management is in the process of reviewing the Solid Waste Ordinance and has completed a number of internal meetings.</p> <p>Management will seek Council support and guidance regarding the City’s Level of Service Expectations in the format of a preliminary work session presentation. Original completion date for this was April 30, 2020. Due to COVID 19 this presentation has been postponed. Staff is on calendar to present to Council on October 12, 2020. Full ordinance amendments pending Council approval is expected August 2021.</p>

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**A2019-04 Residential Solid Waste Fees**

			final ordinance is 13-15 weeks, approximately April 30, 2021. Full ordinance amendments approval is expected in June 2021.	
2.1	The Office of Internal Audit recommends management:  1. Update the customer addresses in Fleetmind consistent with current routes.	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.  <b>Responsible Party:</b> Public Services Director  <b>Implementation Date:</b> 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.	<b>Implemented</b>  The initial upload for Fleetmind of residential household & yard waste customers is completed. The total number uploaded were 627 customers with both HH & YW services to total 1258 records uploaded. This was completed January 17, 2020.  Staff is working on a comprehensive overhaul of the records which is expected to be completed March 2021.	<b>Implemented</b>  The initial upload for Fleetmind of residential household & yard waste customers is completed. The total number uploaded were 627 customers with both HH & YW services to total 1258 records uploaded. This was completed January 17, 2020.  Staff is working on a comprehensive overhaul of the records which is expected to be completed March 2021.
2.2	The Office of Internal Audit recommends management:  2. Develop a process to add, activate and deactivate	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.	<b>Partially Implemented</b>  Solid Waste continues to explore options on how to update the current data base that	<b>Partially Implemented</b>  Solid Waste continues to explore options on how to update the current data base that

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**A2019-04 Residential Solid Waste Fees**

	<p>addresses in Fleetmind as needed to maintain current, accurate, valid data.</p>	<p>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.</p> <p><b>Responsible Party:</b> Public Services Director</p> <p><b>Implementation Date:</b> 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</p>	<p>Fleetmind uses for addresses. This step is necessary to help develop a ‘process’ to add, activate and inactivate addresses in Fleetmind to maintain a current, accurate, and valid data base. Further --full implementation is contingent upon “Recommendation #1.”</p> <p style="text-align: center;"><b>Partially Implemented</b></p> <p>Solid Waste has received the updated CAMA data from County and is vetting the data, which is expected to be completed in February 2021. Fleetmind data will still need to be updated upon “Recommendation 1”, and once the new tax levy is available and the data has been vetted.</p>	<p>Fleetmind uses for addresses. This step is necessary to help develop a ‘process’ to add, activate and inactivate addresses in Fleetmind to maintain a current, accurate, and valid data base. Further --full implementation is contingent upon “Recommendation #1.”</p> <p style="text-align: center;"><b>Partially Implemented</b></p> <p>Solid Waste has updated the customer records and routing data for Fleetmind to coincide with CAMA data and Cityworks data. Fleetmind data will still need to be updated upon “Recommendation 1”, and once the new tax levy is available, and the data has been vetted.</p>
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**A2019-04 Residential Solid Waste Fees**

		30, 2022 contingent upon management responses.		
2.3	<p>The Office of Internal Audit recommends management:</p> <p>3. Develop comprehensive written policies and procedures to maintain Fleetmind data integrity, once the processes are established.</p>	<p>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.</p> <p><b>Responsible Party:</b> Public Services Director</p> <p><b>Implementation Date:</b> Public Services Solid Waste Division will</p>	<p><b>Not Implemented</b></p> <p>Solid Waste Management will begin writing policies and procedures to maintain data integrity for Fleetmind once the Solid Waste Ordinance has been updated.</p>	<p><b>Not Implemented</b></p> <p>Solid Waste Management will begin writing policies and procedures to maintain data integrity for Fleetmind once the Solid Waste Ordinance has been updated.</p>

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KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – January 28, 2021	Management Follow-up Response – October 22, 2020
<b>A2019-04 Residential Solid Waste Fees</b>				
		develop comprehensive written policies and procedures to maintain Fleetmind data integrity by June 30, 2022 contingent upon management responses.		

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	<b>Recommendation</b>	<b>Management Response</b>	<b>Management Follow-up Response – January 28, 2021</b>	<b>Management Follow-up Response – October 22, 2020</b>

**A2020-01 Police Department Payroll Audit: Finance Department**

6.1	<p>The Office of Internal Audit recommends:</p> <ol style="list-style-type: none"> <li>1. Management should coordinate with the Human Resource Development Department to develop comprehensive timekeeping and payroll training. The training should include applicable FLSA regulations, City policy and procedure manuals, and how to process time and attendance for payroll purposes.</li> </ol>	<p>It should be the priority of the City to provide up-to-date and timely training especially in payroll processing. Training will help ensure best practices and procedures.</p> <p><b>Responsible Party:</b> Jay Toland, Chief Financial Officer</p> <p><b>Implementation Date:</b> 12/1/2020</p>	<p style="background-color: #c6e0b4;"><b>Implemented</b></p> <p>OD&amp;T and Finance met 1.15.2021 and drafted a comprehensive timekeeping and payroll training. Training will be disbursed/deployed no later than 3.1.2021</p>	<p style="background-color: #f4a460;"><b>Not Implemented</b></p> <p>Current practice is “Train the trainer”. Finance-Payroll staff provide training to the Payroll Preparer for each department and they train all other department payroll staff.</p> <p>In November the Finance Department will coordinate with the Human Resource Development Department to develop comprehensive timekeeping and payroll training. The training shall include applicable FLSA regulations, City policy and procedure manuals, and how to process time and attendance for payroll purposes.</p>
6.2	<p>The Office of Internal Audit recommends:</p> <ol style="list-style-type: none"> <li>2. Management should ensure all payroll preparer and reviewers take training developed prior to assuming the respective duties</li> </ol>	<p>Finance will work with the departments as new payroll preparers are brought on-line to ensure the preparers have initial training. Furthermore a refresher course will be created and disseminated in an efficient manner.</p>	<p style="background-color: #a6c9ec;"><b>Not Implemented</b></p> <p>Training will be released through POWERDMS and/or in person/zoom (with a sign-in sheet) to create a system of record for training.</p>	<p style="background-color: #f4a460;"><b>Not Implemented</b></p> <p>Initial training is happening and finance currently offer one on one refresher training as needed and/or requested.</p>

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**A2020-01 Police Department Payroll Audit: Finance Department**

	and should be required to take a refresher training annually.	<b>Responsible Party:</b> Jay Toland, Chief Financial Officer  <b>Implementation Date:</b> 12/1/2020		Finance is currently working to develop the refresher course
6.3	<p>The Office of Internal Audit recommends:</p> <p>3. Management should coordinate with the Human Resources Development Department to provide the Police Department training on timekeeping and FLSA 207 (k) overtime. Training for new employees should be a part of on-boarding and provided by a qualified employee.</p>	<p>Finance will collaborate with HRD to provide training on timekeeping and FLSA 207 (k) overtime and an on-boarding process to train new employees.</p> <p><b>Responsible Party:</b> Jay Toland, Chief Financial Officer</p> <p><b>Implementation Date:</b> 12/1/2020</p>	<p><b>Implemented</b></p> <p>OD&amp;T and Finance met 1.15.2021 and drafted a comprehensive training on timekeeping and FLSA 207 (k) overtime. Training for new employees shall be a part of on-boarding and provided by a qualified employee. Training will be deployed/dispensed no later than 3.1.2021.</p>	<p><b>Not Implemented</b></p> <p>Kronos for regular employees is part of NEO. PD will be trained during PD implementation into Kronos. New PD employee training takes place in the department.</p>
6.4	<p>The Office of Internal Audit recommends:</p> <p>4. Management should designate funding for the payroll supervisor to obtain a Payroll Certification and allow the payroll supervisor to obtain this certification.</p>	<p>Finance will look at the budgeting process to earmark funds for certification.</p> <p><b>Responsible Party:</b> Jay Toland, Chief Financial Officer</p> <p><b>Implementation Date:</b> 12/1/2020</p>	<p><b>Implemented</b></p> <p>Budget has been requested for certification from the American Payroll Association.</p>	<p><b>Not Implemented</b></p> <p>Finance will earmark appropriate funds for certification.</p>

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**A2020-01 Police Department Payroll Audit: Police Department**

1	<p>The Office of Internal Audit recommends the Police Department, to include E-911, consult with the Finance Department on streamlining the manual timekeeping and payroll processes, to include eliminating the summary sheets and use timecards to enter the time and attendance into JD Edwards, with the end goal of moving towards implementing an automated time and attendance system.</p>	<p>Management worked with the Finance Department and obtained an updated timecard and proposed training to be provided to the police department by the end of August 2020. Management agreed with the streamlined process for payroll and the importance of accountability and oversight needed to ensure accurate and timekeeping of personnel. Management has direct the payroll technician to enter the time into JD Edwards from the employee's timecard but will continue to have supervisory personnel complete a summary sheet based. The completion of the summary sheet is also aligned with the recommendations from the Finance Department and the Audit Department to having a checklist of multiple items for supervisors to review on the timecards prior to being submitted for entry into JD Edwards. The ultimate goal of having minimal errors and within the timeline needed for the Finance Department to process payroll. The</p>	<p><b>Implemented – 9/1/2020</b></p> <p>The department is in compliance with entering time from timesheets but still submit a summary sheet. Now working with Kronos time entry also.</p>	<p><b>Implemented – 9/1/2020</b></p> <p>The department is in compliance with entering time from timesheets but still submit a summary sheet. Now working with Kronos time entry also.</p>
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KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
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**A2020-01 Police Department Payroll Audit: Police Department**

		<p>city has started the implementation of the automated time and attendance system for the police department and this has a starting timeline of September 2020.</p> <p><b>Responsible Party:</b> Chief Gina V. Hawkins</p> <p><b>Implementation Date:</b> 9/1/2020</p>		
2.1	<p>The Office of Internal Audit recommends management, to include E-911:</p> <p>1. Require employee and supervisor signatures, and dates signed on all timekeeping forms.</p>	<p>The Finance Department created an updated timecard and training should be implemented by the end of August 2020.</p> <p><b>Responsible Party:</b> Chief Gina V. Hawkins</p> <p><b>Implementation Date:</b> 9/1/2020</p>	<p><b>Implemented – 9/1/2020</b></p> <p>Employee and Supervisor signatures and dates on timecards.</p>	<p><b>Implemented – 9/1/2020</b></p> <p>Employee and Supervisor signatures and dates on timecards.</p>
2.2	<p>The Office of Internal Audit recommends management, to include E-911:</p> <p>2. Consult with the Finance Department to create department-wide standardized timekeeping forms that at a minimum capture all time worked to include court time,</p>	<p>The Finance Department created an updated timecard and training should be implemented by the end of August 2020.</p> <p><b>Responsible Party:</b> Chief Gina V. Hawkins</p> <p><b>Implementation Date:</b> 9/1/2020</p>	<p><b>Implemented – 9/1/2020</b></p>	<p><b>Implemented – 9/1/2020</b></p>

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**A2020-01 Police Department Payroll Audit: Police Department**

	compensatory time and overtime earned, scheduled hours and leave taken. This change will ensure consistency of documentation supporting timekeeping within the department. If the department deviates from approved standardized timekeeping forms, authorization should be obtained from the Finance Department.			
3.1	<p>The Office of Internal Audit recommends management:</p> <p>1. Require timecards be submitted only after all hours have been worked for the pay period.</p>	<p>Management changed the submission due dates of all timecards in the first quarter of 2020 when issues were presented. Although there may be more corrections due to call-in or incidents when personnel have to come in after the time has been forwarded to the payroll technician, every effort will be made to submit time and not project time. The police department has been working with the I.T. Department and the Finance Department on the implementation of the automated time and attendance system in order to make</p>	<b>Implemented – 9/1//2020</b>	<b>Implemented – 9/1//2020</b>

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**A2020-01 Police Department Payroll Audit: Police Department**

		<p>this recommendation work efficiently.</p> <p><b>Responsible Party:</b> Chief Gina V. Hawkins</p> <p><b>Implementation Date:</b> 9/1/2020</p>		
3.2	<p>The Office of Internal Audit recommends management:</p> <p>2. Coordinate with the Finance Department to implement a process that will ensure FLSA 207 (k) overtime is paid correctly for all prior period work hours.</p>	<p>Management has coordinated with the Finance Department and the Finance Department has advised they are working on implementing a process to ensure corrections for prior period work are accurate and in accordance with the 207 (k) rule. The police department is unable to ensure the FLSA 207 (k) is implement but have already discussed this with Finance.</p> <p><b>Responsible Party:</b> Chief Gina V. Hawkins</p> <p><b>Implementation Date:</b> 9/1/2020</p>	<b>Implemented – 9/1/2020</b>	<b>Implemented – 9/1/2020</b>
4	<p>The Police Department, to include E-911, should ensure a qualified independent employee, with a complete understanding of payroll, consistently review, every payroll</p>	<p>The department has existing personnel which have been trained and will continue to be trained on all aspects of FLSA and the City of Fayetteville Payroll Process as it is</p>	<b>Implemented – 9/1/2020</b>	<b>Implemented – 9/1/2020</b>



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**A2020-01 Police Department Payroll Audit: Police Department**

	<p>period, all JD Edward payroll authorization reports back to the source documents (timecards) before payroll is submitted to the Finance Department Payroll Division for processing. Operating Procedure 10.2 Personnel and Payroll should be updated accordingly.</p>	<p>changing. The department will also ensure the supervisory staff receive training on the existing topics which has not been provided in the past. Management believe errors stem from education of all staff and will first have to depend on the training from Finance before we can determine who the secondary “independent” employee with all the qualifications listed above will be. The other issue with the recommendation is the ability to have the review completed “before payroll is submitted to the Finance Department Payroll Division for processing” will not provide the payroll technician the needed time to enter from the actual 600 timecards approximately within the allotted deadline for the Finance Department. The operational time needed for entries already required between 10-12 hours of data entry. The department will update our operating procedures after all changes once we have received the approved timecards and processes</p>		
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**A2020-01 Police Department Payroll Audit: Police Department**

		<p>from the Finance Department on procedures and documented processes which will be made.</p> <p><b>Responsible Party:</b> Chief Gina V. Hawkins</p> <p><b>Implementation Date:</b> 9/1/2020</p>		
5.1	<p>The Office of Internal Audit recommends management:</p> <p>1. Establish a central recordkeeping location for all payroll related records and identify departmental position(s) responsible to ensure payroll records are complete and archived.</p>	<p>Management concurs with item #1 and have already uploaded previous years and template the timesheets into Laserfiche. This process is being completed after all time has been entered for a pay period but before the next pay period starts by Office Assistants.</p> <p><b>Responsible Party:</b> Chief Gina V. Hawkins</p> <p><b>Implementation Date:</b> 10/1/2020</p>	<p><b>Implemented – 10/1/2020</b></p> <p>All prior timecards have been archived, template and laserfiche into the system.</p>	<p><b>Implemented – 10/1/2020</b></p> <p>All prior timecards have been archived, template and laserfiche into the system.</p>
5.2	<p>The Office of Internal Audit recommends management:</p> <p>Review all current written departmental operating procedures related to Personnel and Payroll with the Human Resource</p>	<p>For Item #2, Management will have the Police Attorney review all operating procedures related to payroll once the Finance Department has completed the updated timecards and their procedures and documented</p>	<p><b>Not Implemented</b></p> <p>City Attorney still reviewing all policies to ensure they are FLSA Compliant now and when we transition into Kronos. The department has been in constant</p>	<p><b>Not Implemented</b></p> <p>City Attorney still reviewing all policies to ensure they are FLSA Compliant now and when we transition into Kronos. The department has been in constant</p>

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**A2020-01 Police Department Payroll Audit: Police Department**

	Development Department and the City Attorney’s Office to ensure compliance with the FLSA.	processes and ensure they align with the City of Fayetteville Policies. We will then provide the information for Human Resource Development Department for review.  <b>Responsible Party:</b> Chief Gina V. Hawkins  <b>Implementation Date:</b> 10/1/2020	communication with Payroll and the I.T. Department regarding issues with timecards and calculations in order to be FLSA Compliant.  Still working on.  <b>Revised Implementation Date:</b> 03/01/2021	communication with Payroll and the I.T. Department regarding issues with timecards and calculations in order to be FLSA Compliant.  <b>Implementation Date:</b> 1/1/2020
5.3	The Office of Internal Audit recommends management:  3. Document an approval process for overtime within the departmental operating procedures, to include a consideration for equitable treatment of overtime.	Management will consult with the City Manager and Human Resources regarding items #3 and #4 in order to determine if this recommendation should be a part of the City Policy in order to ensure equitable treatment of overtime, even though the sworn personnel is on the 7(k) Rule. There may be an infinite number of scenarios in which working over a prescheduled day could apply and not be considered overtime. Based on the previous response with training on FLSA 207 (k) and other FLSA to supervisory staff, the existing FLSA 207 (K) rule is clear and covers all situations when someone can be paid compensatory	<b>Not Implemented</b>  Department will have this reviewed with the policies being reviewed by the City Attorney’s office in order to be a part of the operating procedures.  Still working on.  <b>Revised Implementation Date:</b> 03/01/2021	<b>Not Implemented</b>  Department will have this reviewed with the policies being reviewed by the City Attorney’s office in order to be a part of the operating procedures.  <b>Implementation Date:</b> 1/1/2020

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		<p>time versus overtime and does not need to be included in departmental operational procedures.</p> <p><b>Responsible Party:</b> Chief Gina V. Hawkins</p> <p><b>Implementation Date:</b> 10/1/2020</p>		
5.4	<p>The Office of Internal Audit recommends management:</p> <p>4. Update departmental operating procedures to align with current practices, to include criteria for when overtime is allowed versus earning compensatory time.</p>	<p>Management will consult with the City Manager and Human Resources regarding items #3 and #4 in order to determine if this recommendation should be a part of the City Policy in order to ensure equitable treatment of overtime, even though the sworn personnel is on the 7(k) Rule. There may be an infinite number of scenarios in which working over a prescheduled day could apply and not be considered overtime. Based on the previous response with training on FLSA 207 (k) and other FLSA to supervisory staff, the existing FLSA 207 (K) rule is clear and covers all situations when someone can be paid compensatory time versus overtime and does not</p>	<p style="color: red;"><b>Not Implemented</b></p> <p style="color: red;">Department will have this reviewed with the policies being reviewed by the City Attorney’s office in order to be a part of the operating procedures.</p> <p style="color: red;">Still working on.</p> <p style="color: red;"><b>Revised Implementation Date:</b>03/01/2021</p>	<p style="color: red;"><b>Not Implemented</b></p> <p style="color: red;">Department will have this reviewed with the policies being reviewed by the City Attorney’s office in order to be a part of the operating procedures.</p> <p style="color: red;"><b>Implementation Date:</b>1/1/2020</p>

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		<p>need to be included in departmental operational procedures.</p> <p><b>Responsible Party:</b> Chief Gina V. Hawkins</p> <p><b>Implementation Date:</b> 10/1/2020</p>		
6.1	<p>The Office of Internal Audit recommends:</p> <p>1. Management consider creating and hiring an accounting manager position with the expertise in business processes and internal controls to oversee the Personnel Technician position and assist in developing, implementing and evaluating the necessary payroll controls to improve efficiency and ensure compliance with applicable guidelines. Although additional personnel is costly, the City could be fined for FLSA violations and due to the Department's payroll expenditures for Fiscal year</p>	<p>The police department has submitted a new initiative for a position which will cover more than just the recommendation listed as an accounting manager but cannot control if this position will be approved. The position will ensure the business aspect of the police department has continuity for long term overall efficiency.</p> <p><b>Responsible Party:</b> Chief Gina V. Hawkins</p> <p><b>Implementation Date:</b> 12/1/2020</p>	<p><b>Partially Implemented</b></p> <p>Position was approved and department in the hiring process for this position.</p> <p>New Hire should start by 03/01/2021.</p> <p><b>Revised Implementation Date:</b> <b>03/01/2021</b></p>	<p><b>Not Implemented</b></p> <p>Position not approved in budget.</p>

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**A2020-01 Police Department Payroll Audit: Police Department**

	ending 2019 of \$40.1 million, the fines could be costly.			
6.2	<p>The Office of Internal Audit recommends:</p> <p>2. Management needs to ensure the Personnel Technician and an alternate employee are thoroughly trained and have a clear understanding of all applicable guidelines.</p>	<p>Management has requested Finance provide training for any and all employees who have access to JDE before the receive approval rights into the system. Once this training has occurred management will determine who would be the possible alternate employee. This training should include a documented manual for the training for the employee to reference.</p> <p><b>Responsible Party:</b> Chief Gina V. Hawkins</p> <p><b>Implementation Date:</b> 12/1/2020</p>	<p><b>Partially Implemented</b></p> <p>Department has begun cross training another employee in the department on duties.</p> <p>Department will also be hiring a new Administrative Manager to assist with this.</p> <p><b>Implementation Date:</b> 03/01/2021</p>	<p><b>Partially Implemented</b></p> <p>Department has begun cross training another employee in the department on duties.</p> <p><b>Implementation Date :</b> 12/1/2020</p>
7	<p>The Office of Internal Audit recommends management collaborate with the Finance Department on the current timekeeping and payroll processes to improve the efficiency which should reduce the errors of employee wages and ensure hours worked are accurately and consistently documented in JD</p>	<p>As previously mentioned Finance created updated timecard and will be providing training. Management does not agree with non-sworn timecards entering time on a 1 week basis. The supervisory staff who will be approving the timecards will be trained on the process and will need a consistent training manual to review for all personnel. The</p>	<p><b>Partially Implemented - 9/1/2020</b></p> <p>As previously mentioned.</p>	<p><b>Partially Implemented - 9/1/2020</b></p> <p>As previously mentioned.</p>

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	Edwards as reflected on timecards. However, time worked for non-exempt/non-sworn personnel should be maintained on weekly timecards and entered on a 1-week basis.	updated timecards provided by Finance calculate time appropriately based on sworn or non-sworn personnel. The automated system will also have time submitted for on a bi-weekly basis for approval.  <b>Responsible Party:</b> Chief Gina V. Hawkins  <b>Implementation Date:</b> 9/1/2020		
8	The Office of Internal Audit recommends the Police Department, to include E-911, consult with the Human Resources Department on a formal leave request process to ensure leave time is reported. Although an automated time and attendance is being implemented, consequences for non-compliance should be clearly defined in written departmental operating procedures.	Management will consult with the Human Resource Department to obtain how all other City of Fayetteville departments which are not on an automated system submit their formal leave request. In the meantime the department has already created a formal leave request form and ensure it is included in the department's operational process and coincides with City Policy.  <b>Responsible Party:</b> Chief Gina V. Hawkins  <b>Implementation Date:</b> 6/1/2020	<b>Implemented</b>	<b>Implemented</b>