



Office of Internal Audit

**City of Fayetteville, NC
Audit Committee
Meeting**

April 23, 2026 @3:00 pm

1st Floor – Lafayette Room

433 Hay Street, Fayetteville, NC 28301



Audit Committee Meeting
April 23, 2026 @ 3:00 pm

AGENDA

1. Call to Order
2. Approval of Agenda
3. Approval of Meeting Minutes
4. Management Reports *(Summary presented by Internal Audit staff)*
 - a. Quarterly Management Implementation Status Report
5. Internal Audit Activities *(Presented by Internal Audit staff)*
 - a. Fire Emergency Response Audit (A2026-02)
 - b. Audit Plan Modification (Discontinuation of the Transit Fixed Route Operations Audit – A2026-03)
6. Adjournment

Attachments:

- a. Draft Meeting Minutes – January 29, 2026
- b. Quarterly Management Implementation Status Report
- c. Fire Emergency Response Audit (A2026-02)
- d. Audit Plan Modification Memorandum (Transit Fixed Route Operations A2026-03)

**FAYETTEVILLE AUDIT COMMITTEE MEETING MINUTES
LAFAYETTE CONFERENCE ROOM
CITY HALL, 433 HAY STREET
JANUARY 29, 2026
3:00 P.M.**

Committee Members Present: D.J. Haire, Council Member, Chair
Derrick Thompson, Mayor Pro Tem
Antonio Jones, Council Member
Cindy Graham

Committee Members Absent: Michelle Sykes

Staff Present: Jeffery Yates, Assistant City Manager
Angelica McDonald, Assistant City Attorney
Rose Rasmussen, Internal Audit Director
Christina Zimmerman, Senior Internal Auditor
Gwendolyn Austin-Jones, Internal Auditor
Tiffany Murray, Chief Financial Officer
Amanda Mott, Assistant Chief Financial Officer
Kim Toon, Purchasing Manager
Randy Tyson, Financial Reporting Manager
Raquel Booyer, Grants Manager
Sheila Thomas-Ambat, Public Services Director
Daniel Edwards, Assistant Public Services Director
Paula Handberry, Assistant City Clerk

1. CALL TO ORDER

Council Member Haire called the meeting to order and welcomed new committee members at 3:03 p.m. Council Member Jones provided the invocation.

2. APPROVAL OF THE AGENDA

MOTION: Mayor Pro Tem Thompson moved to approve the agenda.

SECOND: Council Member Jones

VOTE: UNANIMOUS (4-0)

3. APPROVAL OF MEETING MINUTES

MOTION: Mayor Pro Tem Thompson moved to approve the August 28, 2025 meeting minutes.

SECOND: Council Member Jones

VOTE: UNANIMOUS (4-0)

4. MANAGEMENT REPORTS

A. Quarterly Management Implementation Status Report

Ms. Rose Rasmussen, Internal Audit Director, introduced and welcomed new committee member, Ms. Cindy Graham.

Ms. Rasmussen stated there were two audits with recommendations where action is still needed to be implemented. The Citywide Grants Audit has recommendations for both the City Manager's Office and the Finance Department. The Downtown Republic Parking Contract Audit had two recommendations for the Public Service Department.

The Finance Department had nine recommendations. Three of the recommendations were fully implemented through setting up awards in Oracle, developing standard operating procedures, training staff on the procedures, and creating a generic email address. Two recommendations are overdue and were scheduled to be implemented on December 31, 2025. The first recommendation was to establish standardized procedure and formats for storing and accessing grant related information. Management reported that IT is working with the newly hired grants manager to develop a repository. Discussion ensued. The second recommendation was to reconcile all current awards and associated projects in Oracle HUB. Finance management stated this has been put on hold due to possibly moving away from the current module and keying information directly into the ledger. Ms. Rachel Booyer, Grants Manager will work to implement the four recommendations still in progress: establish a centralized repository to hold all grant documentation, develop and provide training on the repository, provide update on City's grant policy, and implement and administer a unified grant tracking system.

The City Manager's Office has three recommendations. One recommendation was implemented by hiring the City's Grants Manager. The other two are to establish written grant policies and procedures, and create a working group. Discussion ensued.

The Downtown Republic Parking Contract Audit had two recommendations. Management stated both recommendations are still in progress with an implementation date of June 30, 2026. One recommendation was to update the language in the contract. Management stated a Parking Management Request for Proposals has been drafted. The other recommendation was to establish contract management procedures. Some processes have been put in place, but procedures have not been drafted. Discussion ensued.

Ms. Rasmussen stated a special meeting is needed to present the external audit. The consensus was to hold the special meeting on February 23, 2026, at 3:00 p.m.

5. INTERNAL AUDIT ACTIVITIES

A. Residential Solid Waste Fees Follow-up Audit

Ms. Rose Rasmussen, Internal Audit Director, stated the original audit was done to evaluate whether solid waste fees were being assessed in accordance with established guidelines and internal controls were sufficient. The audit concluded the City's Solid Waste Ordinance, Chapter 22 was not clear and it was left up to interpretation allowing for solid waste services to be provided inconsistently. The other two areas noted were related to Fleetmind software. When the Fleetmind software was originally purchased, it was intended to be used as a waste collection onboarding system. The customer data in Fleetmind was to be used in conjunction with Route Smart for routing efficiencies and accountability of collections. An audit

of the Fleetmind software revealed all active customer addresses were not assessed a residential solid waste fee, and all addresses assessed a residential solid waste fee were not in Fleetmind.

Ms. Rasmussen stated the original audit was issued in 2019 with five agreed upon recommendations. The department reported all recommendations were fully implemented in February 2025. The scope of the audit is to determine if all five recommendations issued in the original audit were implemented by management. The department fully implemented three recommendations through City Council adoption of ordinance updates, coordinating with the City Attorney's Office to update the Solid Waste Ordinance, developing written policies and procedures for maintenance of Fleetmind data, and customer data within the Fleetmind system. One recommendation was partially implemented by developing a process to add, activate, or deactivate addresses in Fleetmind. One recommendation to update the customer addresses in Fleetmind to be consistent with current routes was not implemented. Discussion ensued.

MOTION: Mayor Pro Tem Thompson moved to accept the Residential Solid Waste Fees Follow-up Audit.

SECOND: Council Member Jones

VOTE: UNANIMOUS (4-0)

B. Solid Waste Management – Special Waste Service Audit

Ms. Rose Rasmussen, Internal Audit Director, stated the Solid Waste Division provided collection services for waste materials that were not included in the residential solid waste fees. These city services are offered for a fee as outlined in the annual fee schedule. The audit period covered special waste services from July 1, 2024 to June 30, 2025. This audit was done to determine if the services performed and fees assessed were in compliance with the fiscal year 2025 adopted fee schedule, and service was delivered in accordance with turnaround standards. The audit revealed that the division provided timely service based on their Turnaround standard. The division had processes in place for the execution of special waste services that appeared to be effective. It was noted that fees were not collected for one specific type of waste that falls under household construction debris on the fee schedule. Based on the fee schedule adopted by City Council a fee should have been charged. Discussion ensued.

MOTION: Mayor Pro Tem Thompson moved to have staff come back in May or June with a recommendation of monetary adjustment to the fees for picking up construction debris.

SECOND: Council Member Jones

VOTE: UNANIMOUS (4-0)

MOTION: Ms. Cindy Graham moved to accept the Solid Waste Management – Special Waste Service Audit.

SECOND: Council Member Jones

VOTE: UNANIMOUS (4-0)

6. ADJOURNMENT

There being no further business the meeting adjourned at 4:05 p.m.

D.J. Haire, Committee Chair

Paula Handberry, Assistant City Clerk



April 23, 2026

Members of the Audit Committee,

Enclosed is the updated Quarterly Management Implementation Status 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.

A short summary of the progress updates are provided to allow a quick assessment of the audit report recommendations NOT 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.

A summary of the report will be presented. We welcome discussion on the management updates.

Respectfully,
Rose Rasmussen, CIA, CFE
Internal Audit Director

Office of Internal Audit
 Quarterly Management Implementation Status Report
 Fiscal Year 2025-2026 (3rd Quarter)

Recommendations							
Audit Title	Date Released	Issued	Accepted	Not Started	In Progress	Implemented	Overdue
A2025-03 City-wide Grants: Finance Department	April 2025	6	6	0	4	0	2
A2025-03 City-wide Grants: City Manager's Office	April 2025	2	2	0	2	0	0
A2025-06 Downtown Republic Parking Contract	August 2025	2	2	0	2	0	0
A2026-01 Solid Waste Management – Special Waste Services	January 2026	1	1	0	1	0	0

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A2025-03 Citywide Grants Audit

Finance

Not Started	In Progress	Implemented	Overdue	Total
0	4	0	2	6

RECOMMENDATION 2.1	Establish a centralized repository for required grant records and supporting documentation. Documentation maintained in the centralized repository should include but not be limited to, notice of funding opportunities, signed grant applications, award documentation, fully executed grant agreements, budgets for the use of the grant funds, required grant-related approvals, program and financial reports and associated deadlines, correspondence with granting agencies, any forms required based on policy and any checklists created at assist departments. This location should be accessible to authorized personnel across City departments and organized to allow for easy document retrieval.
MANAGEMENT RESPONSE	We concur. We fully agree that a centralized repository should exist, and Finance staff is working with City IT to discuss possible options. While Laserfiche is reviewed, Finance staff will be utilizing a centralized, electronic repository to maintain comprehensive, complete grant files. Responsible Party: Finance Department Implementation Date: June 30, 2026
STATUS AS OF January 29, 2026	In progress: IT is now working with the newly hired grants manager to develop a repository. Finance is assisting with this process. Once complete we will have a centralized repository. In the interim Finance continues to use the internal e-drive for grant documentation.
STATUS AS OF April 23, 2026	In progress: IT is now working with the grants manager to develop a repository. Finance is assisting with this process. Once complete we will have a centralized repository. In the interim Finance continues to use the internal e-drive for grant documentation. We are still tracking for completion by June 30, 2026.

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RECOMMENDATION 2.2	Establish standardized procedures and formats for storing and accessing grant-related information. This should include clear guidelines on the types of documents to be retained, the retention periods and how documents should be organized within the repository.
MANAGEMENT RESPONSE	<p>We concur. We fully agree that a centralized repository should exist, and Finance staff is working with City IT to discuss possible options. While Laserfiche is reviewed, Finance staff will be utilizing a centralized, electronic repository to maintain comprehensive, complete grant files.</p> <p>Responsible Party: Finance Department Implementation Date: December 31, 2025</p>
STATUS AS OF January 29, 2026	Overdue: IT is now working with the newly hired grants manager to develop a repository. Finance is assisting with this process. Once complete we will have a centralized repository. In the interim Finance continues to use the internal e-drive for grant documentation
STATUS AS OF April 23, 2026	Overdue: IT is now working with the grants manager to develop a repository. Finance is assisting with this process. Once complete we will develop the necessary SOPs for use. We are tracking for completion by June 30, 2026.
RECOMMENDATION 2.3	Require the designated owner of the centralized repository to develop and provide training to all staff involved in grant management. This should include guidance on how to upload and manage documents in the centralized repository, as well as the required retention periods. .
MANAGEMENT RESPONSE	<p>We partially concur. The Financial Reporting Division will 'own' the centralized repository and provide guidelines for saving documents. We will create an SOP on how, what, and where to save documents.</p> <p>Grant reporting occurs within the departments as well as in Finance, it will be the responsibility of the managing department to provide documentation concerning performance and sub-recipients to the centralized repository.</p> <p>Responsible Party: Finance Department Implementation Date: July 1, 2026</p>
STATUS AS OF January 29, 2026	In progress: IT is now working with the newly hired grants manager to develop a repository. Finance is assisting with this process. Once complete we will have a centralized

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	repository. In the interim Finance continues to use the internal e-drive for grant documentation.
STATUS AS OF April 23, 2026	In progress: Once the Laserfiche repository is complete we will develop the necessary SOPs for use and publish in Power DMS to staff review and sign off. We are tracking for completion by June 30, 2026.
RECOMMENDATION 3.3	Provide the updated City’s Grants Management Policy #314 and grant-related procedures, preferable through PowerDMS to new and existing employees responsible for grant activities in all department.
MANAGEMENT RESPONSE	We concur. Once the policies and procedures are updated and reviewed/approved by management, they will be distributed through PowerDMS to applicable City employees in all departments. Responsible Party: Finance Department Implementation Date: December 31, 2026
STATUS AS OF January 29, 2026	In Progress: We published an update to the current Grants Policy to provide clarification to departments. The newly hired grants manager will complete the full revision of the grants policies and procedures in 2026.
STATUS AS OF April 23, 2026	In Progress: We published an update to the current Grants Policy to provide clarification to departments. The newly hired grants manager will complete the full revision of the grants policies and procedures in 2026.
RECOMMENDATION 3.4	Implement and administer a unified tracking system that will follow the grant through its life and provide transparency to include but not limited to a living list of grants with reporting schedules and assigned responsibilities.
MANAGEMENT RESPONSE	We concur. As mentioned previously, the repository will be used to track and manage the process and documentation. Responsible Party: Finance Department Implementation Date: December 31, 2026

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STATUS AS OF January 29, 2026	In progress: IT is now working with the newly hired grants manager to develop a repository. Finance is assisting with this process, and in the interim Finance continues to use the internal e-drive for grant documentation. Finance and Budget are working to gather all grant agreements to ensure an accurate list of grants is maintained
STATUS AS OF April 23, 2026	In progress: The grants manager has begun the process of reviewing, updating, and modernizing the grant accountability form. This document will be stored in the central repository. The manager is also reviewing current reports available in HUB to utilize as an all-encompassing grant tracker.
RECOMMENDATION 4.3	Reconcile all current awards and associated projects in Oracle HUB with granting agency records. Document and perform remediation for any corrections needed.
MANAGEMENT RESPONSE	We concur. Finance is currently working through reconciliations of all awards. In addition to reconciliations, Finance is working on reconfiguring the awards to align with the reporting requirements for each agency. Responsible Party: Financial Reporting Team (Finance Department) Implementation Date: December 31, 2025
STATUS AS OF January 29, 2026	Overdue: Reconfiguration of awards in the current HUB module has been put on hold as Finance will exit the PPM module in HUB by 6/30/2026. This shift will allow Finance to align all awards and grants in the general ledger within HUB.
STATUS AS OF April 23, 2026	Overdue: Reconfiguration of awards in the current HUB module has been put on hold as Finance works with consultants to determine next steps. This may mean a reconfiguration of the PPM module or taking the steps necessary to completely exit the module. Based on recent meetings, Finance does not anticipate completion until December 31, 2026.

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A2025-03 Citywide Grants Audit

City Manager’s Office

Not Started	In Progress	Implemented	Overdue	Total
0	2	0	0	2

**RECOMMENDATION
 3.1**

Establish comprehensive written grant administration policies and procedures by updating the City’s Grant Management Policy #314. These updates should include but not be limited to:

- a. Incorporating competitive and non-competitive grants.
- b. Incorporating the gaps identified during review of Title 2 Part 200 of the Code of Federal Regulations.
- c. Requiring departments to create Standard Operating Procedures which are in line with the City-wide grants policy that are specific to the types of grants associated with that department.
- d. Requiring departments to provide their grant standard operating procedures to the party responsible for the centralized repository for storage.
- e. Identifying the grant management function and associated responsibilities.
- f. Designating the personnel responsible and associated responsibilities of the City’s SAM.gov account and unique entity ID (UEI).
- g. Designating a responsible party for the overall ownership and maintenance of the centralized repository.
- h. Establishing guidelines for organizations that receive grant awards under the City’s name so the City can provide grant oversight.
- i. Establishing grant closeout procedures and responsibilities.
- j. Requiring a point of contact list be maintained in the centralized repository for each department involved in the grant processes and designating the personnel responsible for keeping the list up to date.
- k. Designating responsibility to maintain the City staff with access to the generic City email address/account that is used for granting agency systems. The access should include all City departments with grant-related responsibilities.

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	I. Incorporating any checklists or forms required.
MANAGEMENT RESPONSE	<p>We concur. The City currently has a dated grant management policy and procedures. Management agrees that the policy and training need to be revamped.</p> <p>City Management started the creation of a working group with City-wide representatives. This working group will review and revamp / develop all City-wide grant policies and procedures.</p> <p>All new and updated policies and operating procedures will comply with Title 2 Part 200 of the Code of Federal Regulations.</p> <p>Responsible Party: City Manager’s Office (Grants working group) Implementation Date: December 31, 2026</p>
STATUS AS OF January 29, 2026	In Progress
STATUS AS OF April 23, 2026	In Progress
RECOMMENDATION 3.2	Establish a working group from each City department involved in the grants process to develop these comprehensive policies and procedures.
MANAGEMENT RESPONSE	<p>We concur. City Management is planning to create a working group with City-wide representatives. This working group will review and revamp/develop all City-wide grant policies and procedures.</p> <p>Responsible Party: City Manager’s Office (Grants working group) Implementation Date: December 31, 2026</p>
STATUS AS OF January 29, 2026	In Progress

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**STATUS AS OF
April 23, 2026**

In Progress

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A2025-06 Downtown Republic Parking Contract Audit

Not Started	In Progress	Implemented	Overdue	Total
0	2	0	0	2

RECOMMENDATION 1.1	<p>City management should update contract terms and document input from legal, financial and operational stakeholders. At a minimum, updates should include:</p> <ol style="list-style-type: none"> a. Clarification on what enforcement includes. b. Establish clear expectations on whether the positions for parking enforcement, parking ambassador and staff validating event payment should each be separate staff. c. Responsibility, documentation requirements and procedures for the debt set off process. d. Type and frequency/schedule for cleaning and maintenance of lots and decks, including documentation of services completed. e. Guidance for voids and waivers of citations. f. Specific contractor billing requirements for all applicable costs. g. Types of reports required by City staff and frequency of delivery. (e.g. financial, utilization, monthly leases and citations). h. Requirements around City access to VATS, parking revenue bank account and Republic’s parking revenue software. i. Responsibility for the maintenance of the Park Fayetteville web page. j. Current operational conditions, such as changes in lot capacities (e.g. Winslow Street Lot). k. Allowance for maintenance and inspection of all records related to or in support of contractual obligations.
MANAGEMENT RESPONSE	<p>Management concurs with the recommendations; and is taking steps to address these concerns via coordination with the vendor, other city departments and an amendment to the contract.</p>

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Responsible Party: Sheila Thomas-Ambat, Public Services Director
Brian McGill – Assistant Public Services Director, Traffic Services

Implementation Date: June 30, 2026

**STATUS AS OF
January 29, 2026**

In Progress:

- a. [Partially Implemented] A Parking Management Services Request For Proposals (RFP) has been drafted and released by Public Services. This Parking RFP includes clarification on what enforcement includes, addressed by RFP Section 4.2.16. Additionally, the current vendor is providing KPI sheets alongside access to Park Loyalty, their guided parking enforcement system. Conversations continue on the citation process between the Contractor and the City. This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with.
- b. [Partially Implemented] The previously discussed RFP includes clarification and specification on the delineation between parking ambassador, parking enforcement staff, and special event staff. This is addressed by RFP Section 4.2.18, and supported by 4.2.3 to 4.2.6, as well as Appendix C and Appendix E. The delineation in roles has been identified as well by the current contractor via an organizational chart they have provided alongside the monthly invoice. This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with.
- c. [Partially Implemented] The previously discussed RFP includes specifications surrounding the documentation requirements for the debt set off process via the RFP Section 4.2.32. Responsibility has been established as that of the City's via e-mail, however Park Fayetteville is in discussion with the Finance department to coordinate debt set off practices. The ageing report provided by the Contractor to the City is still being developed and refined, and will be included on monthly invoices going forward. This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with.
- d. [Implemented] The contractor has implemented MaintainX, a software for tracking and documenting the frequency and type of cleaning and maintenance of parking facilities. In addition, the City has the ability to access the software in a read-only format. Additionally, this item is included in the RFP as section 4.2.25.

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- e. [Partially Implemented] Standard Operating Procedures have been developed by the contractor, however thorough discussions on those requirements continues with the Contractor and the City Attorney's Office. The current Contractor has also been instructed to apply citations equally and fairly without favoritism, and citation letters have been provided to the City Attorney's Office for review. Citations, voids, and waiver information has also been provided in the monthly KPI sheets which accompany the monthly invoices. Additionally this item is addressed by RFP Section 4.2.32, and is supported by sections 4.2.42 and 4.2.43. This item will be considered "Implemented" when further discussion with all stakeholders establishes an SOP.
- f. [Implemented] The invoicing template with the current contractor has been created and invoices have been submitted under this template. Further discussion and refinement of the template continues. Additionally, this item is addressed by RFP Section 4.2.33, and discussed thoroughly throughout the RFP (4.2.1, 4.2.8, 4.2.28, 4.2.31, 4.2.34, 4.2.43, Appendix C, and Appendix D.) Although the invoice template continues to be refined, this item is considered "Implemented".
- g. [Implemented] City staff have required reports to be submitted as part of the invoicing template, as well as through their MaintainX platform. Additionally, this is addressed by RFP Sections 4.2.40 to 4.2.44, and discussed thoroughly throughout the RFP (too numerous to list).
- h. [Implemented] VATS has been deactivated by the contractor, and the system has been migrated to Park Loyalty. The City has access to Park Loyalty (their parking revenue software replacement for VATS). The monthly invoice and KPI reports provided by the Contractor include revenues and transaction metrics. In addition, it is Public Services understanding that the Budget/Finance department has access to the parking revenue bank account. Additionally, this item is addressed by RFP Sections 4.2.16.4, 4.2.16.5, 4.2.28, 4.2.30, and 4.2.30.
- i. [Implemented] The Park Fayetteville web page has been addressed with the contractor. Additionally this item is addressed by RFP Sections 4.2.14.2, 4.12.14.3, 4.2.25.5, 4.2.27.7, and 4.2.38.
- j. [Not Implemented] Operational conditions (such as capacities) have been updated in the previously discussed RFP via section 4.2.18. This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with.

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- k. [Partially Implemented] The current contractor has provided access to MaintainX and Park Loyalty which includes records for the majority of the contract services, as well as other records to the extent which is addressed from items A thru J in this audit item. Additionally, the previously discussed RFP details requirements that the selected contractor allow for the inspection/maintenance of all records related to or in support of contractual obligations. This is addressed through RFP Sections 4.2.8.2.1, 4.2.25.1, 4.2.25.8, 4.2.27, 4.2.29.6, 4.2.31, 4.2.43, and 4.2.44.3. This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with.

**STATUS AS OF
April 23, 2026**

A Parking Management Services Request for Proposals (RFP) has been drafted and released by Public Services. The Parking Management Services RFP is currently at the interview and reference check stage, with interviews scheduled for April 14 & 16, 2026.

- a. [Partially Implemented] The Parking RFP includes clarification on what enforcement includes, addressed by RFP Section 4.2.16. Additionally, the current vendor is providing KPI sheets alongside access to Park Loyalty, their guided parking enforcement system. Conversations continue on the citation process between the Contractor and the City. **This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with.**
- b. [Partially Implemented] The previously discussed RFP includes clarification and specification on the delineation between parking ambassador, parking enforcement staff, and special event staff. This is addressed by RFP Section 4.2.18, and supported by 4.2.3 to 4.2.6, as well as Appendix C and Appendix E. The delineation in roles has been identified as well by the current contractor via an organizational chart they have provided alongside the monthly invoice. **This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with.**
- c. [Partially Implemented] The previously discussed RFP includes specifications surrounding the documentation requirements for the debt set off process via the RFP Section 4.2.32. Responsibility has been established as that of the City's via e-mail, however Park Fayetteville is in discussion with the Finance department to

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coordinate debt set off practices. The ageing report provided by the Contractor to the City has been developed and refined, and is included on monthly invoices. **This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with.**

- d. **[Implemented]** The contractor has implemented MaintainX, a software for tracking and documenting the frequency and type of cleaning and maintenance of parking facilities. In addition, the City has the ability to access the software in a read-only format. Additionally, this item is included in the RFP as section 4.2.25.
- e. **[Partially Implemented]** Standard Operating Procedures have been developed by the contractor, however thorough discussions on those requirements continues with the Contractor and the City Attorney's Office. The current Contractor has also been instructed to apply citations equally and fairly without favoritism, and citation letters have been provided to the City Attorney's Office for review. Citations, voids, and waiver information has also been provided in the monthly KPI sheets which accompany the monthly invoices. Additionally this item is addressed by RFP Section 4.2.32, and is supported by sections 4.2.42 and 4.2.43. **This item will be considered "Implemented" when further discussion with all stakeholders establishes an SOP.**
- f. **[Implemented]** The invoicing template with the current contractor has been created and invoices have been submitted under this template. Further discussion and refinement of the template continues. Additionally, this item is addressed by RFP Section 4.2.33, and discussed thoroughly throughout the RFP (4.2.1, 4.2.8, 4.2.28, 4.2.31, 4.2.34, 4.2.43, Appendix C, and Appendix D.) This item is considered "Implemented".
- g. **[Implemented]** City staff have required reports to be submitted as part of the invoicing template, as well as through their MaintainX platform. Additionally, this is addressed by RFP Sections 4.2.40 to 4.2.44, and discussed thoroughly throughout the RFP (too numerous to list).
- h. **[Implemented]** VATS has been deactivated by the contractor, and the system has been migrated to Park Loyalty. The City has access to Park Loyalty (their parking revenue software replacement for VATS). The monthly invoice and KPI reports provided by the Contractor include revenues and transaction metrics. In addition, the Budget/Finance department has access to the parking revenue bank account.

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Additionally, this item is addressed by RFP Sections 4.2.16.4, 4.2.16.5, 4.2.28, 4.2.30, and 4.2.30.

- i. **[Implemented]** The Park Fayetteville web page has been addressed with the contractor. Additionally this item is addressed by RFP Sections 4.2.14.2, 4.12.14.3, 4.2.25.5, 4.2.27.7, and 4.2.38.
- j. [Not Implemented] Operational conditions (such as capacities) have been updated in the previously discussed RFP via section 4.2.18. **This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with.**
- k. [Partially Implemented] The current contractor has provided access to MaintainX and Park Loyalty which includes records for the majority of the contract services, as well as other records to the extent which is addressed from items A thru J in this audit item. Additionally, the previously discussed RFP details requirements that the selected contractor allow for the inspection/maintenance of all records related to or in support of contractual obligations. This is addressed through RFP Sections 4.2.8.2.1, 4.2.25.1, 4.2.25.8, 4.2.27, 4.2.29.6, 4.2.31, 4.2.43, and 4.2.44.3. **This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with.**

RECOMMENDATION 2.1	<p>City management should establish formal written policies and procedures for contract management and administration. These policies and procedures should include, at a minimum:</p> <ul style="list-style-type: none"> a. Designated responsibility for the completion of the monitoring activities; b. Periodic performance reviews; c. Documentation of completed work by the contractor; d. Maintenance of reports and communications; e. Invoice review and monitoring; and f. A schedule of receivables.
MANAGEMENT RESPONSE	<p>Management concurs with the recommendations; and is taking steps to address concerns through:</p> <ul style="list-style-type: none"> a. Contract amendments;

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Quarterly Management Implementation Status Report
Fiscal Year 2025-2026 (3rd Quarter)**

- b. Biweekly vendor meetings;
- c. Documented monitoring activities
- d. Invoice reviews;
- e. Development of formal policies and procedures; and
- f. Development of a schedule of receivables.

Responsible Party: Sheila Thomas-Ambat, Public Services Director
Brian McGill – Assistant Public Services Director, Traffic Services

Implementation Date: June 30, 2026

**STATUS AS OF
January 29, 2026**

- a. [Partially Implemented] The parking program and related contract responsibilities have been absorbed by varying personnel. It has been defined in the Job Results of the Assistant Public Services Director of Traffic Services, as well as various e-mails and other communications that the management of the parking contract is a priority for that position. The Assistant PS Director will adjust existing other responsibilities to ensure the parking contract and relationship are managed. The management of the parking contract includes, but is not limited to, the completion of the monitoring activities, as well as items associated with the budget, and coordinating with the contractor. Additionally, a Parking Management Services RFP (previously discussed in the "Status as of October 23, 2025" response to Recommendation 1.1) has been released by Public Services, where this item is addressed by RFP Section 4.2.1. Internally, the City continues to develop an SOP to perform the periodic performance reviews, documentation of completed work, maintenance of reports/communication, and invoice review and monitoring. This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with, or when the SOPs have been established.
- b. [Partially Implemented] Coordination meetings and performance reviews are being conducted on a weekly basis between the contractor and the City. Formal written policies and procedures have been partially completed, but further work is required. Additionally, this item is addressed by RFP Sections 4.2.39 through 4.2.44. Internally, the City continues to develop an SOP to perform the periodic performance reviews, documentation of completed work, maintenance of reports/communication, and invoice review and monitoring. This item will be

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- considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with, or when the SOPs have been established.
- c. [Partially Implemented] Documentation of completed work by the contractor is being achieved via weekly meetings, consistent e-mail communication, and the implementation of MaintainX and Park Loyalty. Formal written policies and procedures have been partially completed, but further work is required. Additionally, this item is addressed by RFP Section 4.2.25.8. Internally, the City continues to develop an SOP to perform the periodic performance reviews, documentation of completed work, maintenance of reports/communication, and invoice review and monitoring. This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with, or when the SOPS have been established.
 - d. [Partially Implemented] Invoices are being reviewed via the review and scrutiny of other reports received from the contractor, as well as MaintainX and Park Loyalty review. Maintenance of communications has improved by requiring all communication between the Contractor and the City to include the Assistant Public Services Director for Traffic Services at some level. These items are being stored centrally on a server in a well-defined manner. Additionally, documentation of weekly meetings is reported to meeting participants on a regular basis. Formal written policies and procedures have been partially completed, but further work is required. Additionally, this item is being addressed by RFP Sections 4.2.37 and 4.2.39. Supported by 4.2.14.6, 4.2.15.1, 4.2.16.4, 4.2.21.4 and 4.2.25.16. Internally, the City continues to develop an SOP to perform the periodic performance reviews, documentation of completed work, maintenance of reports/communication, and invoice review and monitoring. This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with.
 - e. [Partially Implemented] Invoices are being thoroughly reviewed against the current contract. The current review of invoices includes the identification of discrepancies requiring corrections from the contractor. Formal written policies and procedures have been partially completed, but further work is required. Additionally, this item is addressed by RFP Section 4.2.33. Internally, the City continues to develop an SOP to perform the periodic performance reviews, documentation of completed

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work, maintenance of reports/communication, and invoice review and monitoring. This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with, or when the SOPs.

- f. [Not Implemented] A schedule of receivables has not been created in a graphical format as both the City and the contractor are working to address the findings of the audit. A schedule of receivables was previously defined in a text format which discussed expectations of delivery of milestones, such as the delivery of MaintainX and the rollout of Park Loyalty. With the shift or missing of provided dates, the schedule was not revisited to redefine realistic expectations. The City and the contractor continue work towards defining a realistic schedule. Formal written policies and procedures have been partially completed, but further work is required. Additionally, this item is addressed by RFP Appendix H. This item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with.

**STATUS AS OF
April 23, 2026**

A Parking Management Services Request for Proposals (RFP) has been drafted and released by Public Services. The Parking Management Services RFP is currently at the interview and reference check stage, with interviews scheduled for April 14 & 16, 2026.

- a. [Partially Implemented] The parking program and related contract responsibilities have been absorbed by varying personnel. It has been defined in the Job Results of the Assistant Public Services Director of Traffic Services, as well as various e-mails and other communications that the management of the parking contract is a priority for that position. The Assistant PS Director will adjust existing other responsibilities to ensure the parking contract and relationship are managed. The management of the parking contract includes, but is not limited to, the completion of the monitoring activities, as well as items associated with the budget, and coordinating with the contractor. Additionally, the Parking Management Services RFP addresses this item by RFP Section 4.2.1. Internally, the City continues to develop an SOP to perform the periodic performance reviews, documentation of completed work, maintenance of reports/communication, and invoice review and monitoring. **This item will be considered "Implemented" when the Parking RFP identifies and selects a**

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A2026-01 Solid Waste Management – Special Waste Services Audit

Not Started	In Progress	Implemented	Overdue	Total
0	1	0	0	1

RECOMMENDATION 1.1	The Solid Waste Division should either update the fee schedule to be consistent with current practice which would require City Council adoption or begin charging for the collection of commodes as required by the current fee schedule.
MANAGEMENT RESPONSE	<p>We concur. Management is in full agreement with the recommendation.</p> <p>Solid Waste will seek Council approval to revise the fee schedule during the upcoming budget cycle to clearly define and standardize the term “load” for all applicable fees. This clarification will help ensure transparency and consistency in fee application. Also, Solid Waste has begun implementing the existing fee for commodes as outlined in the current schedule to align with established cost recovery practices for Household Construction Debris Pickup.</p> <p>Responsible Party: Public Services Director Sheila Thomas-Ambat and Public Services Assistant Director Daniel Edwards</p> <p>Implementation Date: Construction “Commode” fees have already been implemented. The term “Load” will be revised and clearly defined by June 30, 2026, with the adoption of the Fiscal Year 27 budget. This clarification will ensure consistent application and understanding of the fee schedule across all Solid Waste services.</p>
STATUS AS OF January 29, 2026	Not Applicable – Audit report presented at January 29, 2026 Audit Committee meeting.
STATUS AS OF April 23, 2026	In Progress: Solid Waste is currently assessing fees for commode collections consistent with the adopted fee schedule. The fee schedule has been revised to specify that one commode may be collected at no charge, pending Council approval; however, collections involving two or more commodes will be subject to the applicable construction debris collection fee.



Fire Department Emergency Response (A2026-02)

ISSUED APRIL 2026

Office of Internal Audit

Director of Internal Audit
Rose Rasmussen, CIA, CFE

Senior Internal Auditor
Christina Zimmerman, MBA, CFE

Internal Auditor
Gwendolyn Austin Jones, MBA

OUR MISSION

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

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Audit Report Summary

Issued April 2026

Why We Did This Audit:

The Fayetteville Fire Department provides lifesaving and critical response services to residents across a wide range of emergency situations. Ongoing training and structured career development are essential to ensuring firefighters maintain the skills, certification and operational readiness required to respond safely and effectively.

Accurate measurement and reporting of response times are equally important to demonstrate performance, support informed oversight by City Council, and maintain transparency and public trust.

Objectives:

Determine if:

1. The data for response times reported to City Council in the Fire Department's quarterly report are accurate and complete, and
2. The department is meeting internal policies on training and career development and maintaining complete and accurate records.

Scope:

- Response times reported in the October 27, 2025 City Council meeting.
- RMS training entered between January 1, 2024 and December 31, 2024.
- Career development records for a sample of firefighters based on their step as of December 8, 2025.



What We Did:

- Conducted process walkthroughs with Fire Department staff.
- Compared an ImageTrend Continuum report to the Fire Department's third quarter response times reported to City Council on October 27, 2025.
- Reviewed training records in the RMS (Records Management System).
- Followed progression of career development for a sample of employees.

What We Found:

- The response times in the ImageTrend Continuum report provided matched the Fire Department's third quarter response times reported to City Council on October 27, 2025. Internal Audit did not review the ImageTrend Continuum system configuration.
- Overall, the Department established guidelines to maintain skilled firefighters.

What We Recommended:

Although, there were no high-risk findings, Internal Audit suggested improvements in training documentation and policy clarity.

Fire Department Emergency Response (A2026-02)



The Office of Internal Audit has completed the audit of Fire Department Emergency Response as approved by the Audit Committee as part of the Fiscal Year 2026 Annual Audit Plan.

Objective and Scope

The objectives of this audit were to determine if:

- The data for response times reported to City Council in the Fire Department's quarterly report were accurate and complete; and
- The department was meeting internal policies on training and career development and maintaining complete and accurate records.

The scope of the audit included:

- Response times reported in the October 27, 2025 City Council meeting;
- Training records between January 1, 2024 and December 31, 2024, and
- Career development records for a sample of firefighters based on their step as of December 8, 2025.

To confirm accuracy of the data response times listed in the ImageTrend software, a review of the system configuration would be required. Internal Audit did not have the information technology knowledge required to examine the configuration; therefore, no additional testing was completed.

Background

Although, the Fayetteville Fire Department (FFD) responds to fires, medical emergencies, rescues, and hazardous materials incidents. Fire protection is the Department's primary function. Timely response and properly trained staff are critical to protecting lives, property and public trust.

To obtain and maintain the critical skills needed to carry out their duties, the Department established internal career development and training requirements. These included monthly training directories that outlined departmental training requirements for each month. When developing these guidelines, the Department incorporated the National Fire Protection Association (NFPA) standards and the Insurance Services Office (ISO) national rating system.

- The National Fire Protection Association (NFPA) establishes minimum standards for the organization and deployment of career fire departments, including response times, staffing and training.
- The Insurance Services Office (ISO) evaluated the Department's fire suppression capabilities using a national rating system. The evaluation considered emergency communications, fire department staffing and training, equipment and water supply. The evaluation concluded the City's ISO classification as Class 01/09¹, effective January 1, 2020, as shown in the PPC Summary Report created in September 2019. ISO ratings range from Class 1 (exemplary fire suppression program) to Class 10 (does not meet ISO's minimum criteria). According to this report, when all other factors are equal, the price of fire insurance in a community with a good PPC grade is substantially lower than in a community with a poor PPC grade.

¹ According to the Insurance Services Office, Inc. created September 2019, the split classification 01/09, the first number is the class for properties within 5 miles of the responding fire station and 1,000 feet of creditable water supply. The second number applies to properties within 5 miles of a fire station but beyond the 1,000 feet of creditable water supply.

Audit Methodology

The primary techniques used to review compliance and determine the level of internal controls included:

- **Walkthroughs:** Internal Audit conducted walkthroughs with Fire Department staff on response times and training records maintenance.
- **Documentation Review:** Internal Audit compared an ImageTrend Continuum report to the Fire Department's third quarter response times reported to City Council on October 27, 2025 to review accuracy. In addition, Internal Audit requested and reviewed documentation related to training and career development. The documentation was reviewed to determine compliance with Department policies and included but was not limited to Records Management System (RMS) training records, certifications and other personnel records.

Results

Based on the audit work performed, the Office of Internal Audit concluded the Fire Department was generally in compliance with applicable policies. There were no significant exceptions noted.

Conclusion

Internal Audit has concluded work on the Fire Emergency Response Audit. Although no significant exceptions were noted, Internal Audit made recommendations to Fire Department management on documentation and policy clarity.

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



Audit Plan Modification Memorandum

Date: April 23, 2026

To: City of Fayetteville Audit Committee

Cc: Tyffany Neal, Transit Director
 Dawn Dula, Assistant Transit Director
 Jerry Clipp, Human Resource Development Director
 Samantha McGill, Health & Safety Manager
 Michael Hebert, Safety Specialist
 Christina Zimmerman, Senior Internal Auditor
 Gwendolyn Austin Jones, Internal Auditor

From: Rose Rasmussen, Internal Audit Director

Subject: Transit Fixed Route Operations (A2026-03)

The approved Internal Audit Plan for FY2026 included an audit of Transit Fixed Route Operations. The Drug and Alcohol Program specifically, was identified as a high-risk area due to the large population of safety-sensitive employees subject to testing, the number of places driving is performed throughout the city, the high turnover within driver positions, and the financial impact of loss of funding due to non-compliance.

The objective of the audit was to determine if Transit's Drug and Alcohol Program was in compliance with federal and state requirements.

Internal Audit staff initiated this audit by:

- Conducting extensive research on federal and local requirements for the Transit Drug and Alcohol Program; and
- Interviewing staff who hold responsibility for the program.
 - o Transit Staff
 - o HRD, Health and Safety

During the course of our preliminary work, Internal Audit became aware that the Federal Transit Administration (FTA) recently completed an audit of the Drug and Alcohol Program. The FTA audit included testing and evaluation of substantially the same compliance areas that were included in Internal Audit's planned auditing procedures.

Internal Audit evaluated the scope, timing and results of the FTA audit and determined that it provides coverage of the key risk areas related to the Drug and Alcohol Program.

Although the FTA audit resulted in findings, City management responded to all identified issues and implemented the necessary corrective actions. Documentation supporting these remediation efforts was submitted to the FTA to resolve the findings and ensure compliance with applicable requirements.

Based on our review of the FTA audit results and interviews with applicable staff, we determined that completing a separate internal audit at this time would result in duplication of effort and would not provide significant meaningful or additional assurance relative to the resources required.

In consideration of the recent external audit coverage and to ensure efficient use of audit resources, Internal Audit recommends discontinuing any further work on the Transit Fixed Route Operations Audit (Drug and Alcohol Program).

We respectfully request the Audit Committee's approval of this modification to the Fiscal Year 2026 Internal Audit Plan.