



RESIDENTIAL SOLID WASTE FEES FOLLOW-UP (A2019-04F)

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

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ORIGINAL REPORT HIGHLIGHTS

Residential Solid Waste Fees (A2019-04)

Original Report Issued:
October 2019

Objective: To evaluate whether residential solid waste fees were being assessed in accordance with established guidelines; and the internal control environment related to assessing residential solid waste fees were sufficient.

Scope:

Tax billings levied as of July 1, 2019.

Background

- The Solid Waste Division of the Public Services Department are required to provide collection of bulky items, residential and yard waste to residents.
- The residents are billed for these services through the Cumberland County Tax Office.
- The residential solid waste fee billed on the tax bills was not enough to cover all the expenses for the Public Services Department Solid Waste Division.
- On March 24, 2014, City Council awarded a contract to Fleetmind Solutions, Inc. for the purchase of software and hardware related to waste collection onboard communication systems.

Highlights:

- The current processes were not integrated to ensure the City's residential solid waste fee was being levied and enforced consistently to support increasing the revenue for the Environmental Services fund and ultimately eliminating the subsidy from the General Fund.
- The City Code of Ordinances Chapter 22, Solid Waste was not clear and left up to interpretation allowing for solid waste services to be provided inconsistently.
- Through comparison of a complete listing of active customer addresses (61,597) from Fleetmind to the Cumberland County Tax Office listing of parcels (61,501) that had been assessed a City residential solid waste fee, Internal Audit determined:
 - All active customer addresses in Fleetmind were not assessed a residential solid waste fee; and
 - All addresses assessed a residential solid waste fee were not in Fleetmind as solid waste customers.

CONCLUSION

Based on the audit work performed, 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.

WHY THIS MATTERS

The implementation of the audit recommendations should result in consistent collection of solid waste and residential solid waste fees.

Action Since Original Audit Report



Residential Solid Waste Fees Follow-Up (A2019-04F)

The Office of Internal Audit has completed follow-up on the Residential Solid Waste Fees Audit approved by the Audit Committee on October 24, 2019.

Objective and Scope

Determine whether management implemented corrective actions to the audit recommendations reported by the Office of Internal Audit.

The scope of the follow-up audit was limited to the findings and accepted recommendations in the original audit of Residential Solid Waste Fees. This included a review of the City Code of Ordinances Chapter 22, departmental policies and procedures and customer addresses in Fleetmind.

Background

The original audit report, dated October 24, 2019, had five agreed upon recommendations. The audit provided management with recommendations to update the City Code of Ordinances Chapter 22 and maintain current accurate customer addresses in Fleetmind.

Summary Results

5 recommendations were agreed upon in October of 2019

Testing included an evaluation of the agreed upon recommendations to determine if corrective actions were implemented as reported. The Department implemented three recommendations by:

- City Code of Ordinance revision presentations to City Council which included a public hearing and adoption of the revisions;
- Requesting guidance and review of the ordinance updates by the City Attorney's Office; and
- Developing written policies and procedures for the maintenance of Fleetmind data.

Although the Department developed a process with written policies and procedures, the current process and documentation did not provide comprehensive guidance to ensure the ongoing accuracy and completeness of data within the Fleetmind system. The process should be re-evaluated to determine possible gaps which caused Fleetmind data to be incorrect. The written procedures should be updated to address all key aspects of the process including,

- Detailed execution of steps;
- Specific timeframes for reviews to be conducted; and
- Instructions for deactivating addresses which no longer require service.

The Office of Internal Audit has concluded the Residential Solid Waste Fees Follow-up Audit and expresses appreciation for the assistance provided by Department staff.



**FULLY
IMPLEMENTED**

3



**PARTIALLY
IMPLEMENTED**

1



**NOT
IMPLEMENTED**

1

Finding 1 – Completeness of revenue relating to the residential solid waste fees could not be measured.

Recommendation 1.1	Solicit City Council’s support on updates necessary to the City Code of Ordinances Chapter 22, Solid Waste as it will be essential to ensure adherence to the City Code of Ordinances.
CURRENT OBSERVATION	The Department gave multiple presentations on Ordinance revisions to City Council requesting feedback and support on the updates. An initial presentation on October 12, 2020 introduced the need for the updates and outlined key areas to be addressed. Draft revisions of the Ordinance were presented on February 7, 2022 and December 5, 2022. A public hearing was held on January 9, 2023, and the revised Ordinance was adopted as part of the February 27, 2023 consent agenda.
DETERMINED STATUS	IMPLEMENTED
Recommendation 1.2	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.
CURRENT OBSERVATION	Documentation was provided showing the Department coordinated with the City Attorney’s office to update the City Code of Ordinances. This documentation included but was not limited to review comments made by the City Attorney’s Office on the ordinance revisions.
DETERMINED STATUS	IMPLEMENTED

Finding 2 – Solid waste collections process using Fleetmind data could not be relied upon.

Recommendation 2.1	Update the customer addresses in Fleetmind consistent with current routes.
CURRENT OBSERVATION	Customer addresses were not updated in Fleetmind to reflect the current collection routes. Internal Audit observed City refuse rollout carts at addresses which were not listed on the Fleetmind data report provided by the Solid Waste Division.
DETERMINED STATUS	NOT IMPLEMENTED
Recommendation 2.2	Develop a process to add, activate and deactivate addresses in Fleetmind as needed to maintain current, accurate, valid data.
CURRENT OBSERVATION	The Solid Waste Division developed a process to maintain customer addresses in FleetMind. However, testing revealed the process was not sufficient to maintain current addresses. Addresses were being billed the Solid Waste user fee on the Cumberland County Tax bill and receiving City services but were not in the FleetMind system.
DETERMINED STATUS	PARTIALLY IMPLEMENTED

Recommendation 2.3	Develop comprehensive written policies and procedures to maintain Fleetmind data integrity, once the processes are established.
CURRENT OBSERVATION	The Solid Waste Division developed written policies and procedures for the maintenance of FleetMind data.
DETERMINED STATUS	IMPLEMENTED
