



Office of Internal Audit

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

**January 29, 2026 @3:00 pm**

**1<sup>st</sup> Floor – Lafayette Room**

**433 Hay Street, Fayetteville, NC 28301**



**Audit Committee Meeting  
January 29, 2026 @ 3:00 pm**

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**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. Residential Solid Waste Fees Follow-up Audit (A2019-04F)
  - b. Solid Waste Management – Special Waste Service Audit (A2026-01)
6. Adjournment

Attachments:

- a. Draft Meeting Minutes – August 28, 2025
- b. Residential Solid Waste Fees Follow-up Audit (A2019-04F)
- c. Solid Waste Management – Special Waste Service Audit (A2026-01)

**FAYETTEVILLE AUDIT COMMITTEE MEETING MINUTES  
LAFAYETTE CONFERENCE ROOM  
CITY HALL, 433 HAY STREET  
AUGUST 28, 2025  
3:00 P.M.**

**Committee Members Present:** D.J. Haire, Council Member, Chair  
Derrick Thompson, Council Member  
Deno Hondros, Council Member (Arrived at 3:18 P.M.)  
Michelle Sykes (Departed at 3:59 P.M.)

**Staff Present:** Doug Hewett, City Manager  
Adam Lindsay, Assistant City Manager  
Jeffery Yates, Assistant City Manager  
Sonye' Randolph, Assistant City Attorney  
Rose Rasmussen, Internal Audit Director  
Christina Zimmerman, Senior Internal Auditor  
Eleanor Myers, Internal Auditor  
Tiffany Murray, Chief Financial Officer  
Albert Baker, Economic and Community Development Asst. Director  
Jennifer Eaton, Management Analyst, Economic and Community  
Development  
Sheila Thomas-Ambat, Public Services Director  
Brian McGill, Assistant Public Services Director  
Roberto Bryan, Jr., Chief of Police  
Todd Joyce, Assistant Police Chief  
Paula Handberry, Executive Assistant to the City Council

**1. CALL TO ORDER**

Council Member Haire called the meeting to order at 3:00 p.m.

**2. APPROVAL OF THE AGENDA**

**MOTION:** Council Member Haire moved to approve the agenda.

**SECOND:** Council Member Thompson

**VOTE:** UNANIMOUS (3-0)

**3. APPROVAL OF MEETING MINUTES**

**MOTION:** Council Member Haire moved to approve the April 24, 2025 meeting minutes.

**SECOND:** Council Member Thompson

**VOTE:** UNANIMOUS (3-0)

**4. ELECTION OF OFFICERS**

The Audit Committee Bylaws require that the officers be elected and serve a two-year term. The Committee will need to elect a new Chair and Vice Chair.

## **Officer Appointments**

### **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 August, take office immediately upon election, and serve a one-year term on or until a successor is elected at the subsequent years quarterly meeting held in August.

**MOTION: Council Member Thompson moved to appoint Council Member Haire as Chair of the Audit Committee and himself as the Vice Chair**

**SECOND: Council member Haire**

**VOTE: UNANIMOUS (3-0)**

#### **5. MANAGEMENT REPORTS**

##### **A. Quarterly Management Implementation Status Report**

Ms. Rose Rasmussen, Internal Audit Director, stated there were two audits with recommendations where action is still needed. The Economic and Community Development Loans Neighborly Audit had recommendations for the Economic and Community Development (ECD) and Finance Department.

The Citywide Grants Audit had recommendations for both the City Manager's Office and Finance Departments.

The Economic and Community Development Department had a total of eight recommendations. Management reported all recommendations have been implemented. The recommendations were implemented by creating written guidelines for inspections, monitoring, and a lien release process. They developed inspection monitoring tasks and implemented notification features in Neighborly to ensure required documentation is submitted, demonstrating compliance with property standards and HUD requirements. They created and implemented a systematic process for posting payments in Neighborly. Additionally, they are working with the Finance Department to establish each department's loan collection responsibilities.

The Finance Department had recommendations for both the ECD Loan and Citywide Grants audits. For the ECD Loans Audit, management has reported both recommendation have been implemented. The first involved the creation of unique customer records for each loan within the City's financial system, while the second established an automated process to promptly notify the ECD Department of payments posted in Oracle.

For the Citywide Grants Audit, there were nine recommendations directed to the Finance department. One recommendation has been fully implemented by creating a generic email address used for grantor systems, which helps prevent communication gaps during staff turnover. The remaining eight recommendations are currently in progress and include: establishing a centralized repository for grant documents; creating procedures for storing and accessing grant information; requiring the repository owner to develop and provide training for staff involved in grant management; updating the City's grant policy; implementing and administering a unified tracking system to monitor grants throughout their lifecycle;

developing standard operating procedures for setting up awards in Oracle; training staff on the new procedures; and reconciling award information in Oracle with the grantor's systems.

The City Manager's Office had three recommendations. Management reported that they are in the final stages of in-person interviews and expect to fill a new position in September to establish a central grants management function. Additionally, they plan to develop comprehensive written grant policies and procedures, and have initiated the formation of a working group to support the development of these policies and procedures. Discussion ensued.

This report is for informational purposes and no action needed.

## **6. INTERNAL AUDIT ACTIVITIES**

### **A. Police Department Confidential Funds Audit**

Ms. Rasmussen stated the Police Department Confidential Funds Audit is required every year for the Police Department accreditation.

The Police Department's Vice Investigations Division administered and controlled an informant and expenditure cash fund used for covert operations, with a budget of \$100,000.00 per fiscal year. The audit covered the period from June 1, 2024, to May 31, 2025, and included a sample review of transactions involving five personnel, representing 36% of those who used and maintained confidential funds during the audit period. A total of 58 operational transactions were reviewed, amounting to just over \$64,000.00. Discussion ensued.

A significant improvement in the Department's process has taken place since the last audit. Previously, the Department relied on physically passing a packet of papers from office to office for review and approval, which often led to misplaced documents and made it difficult to track the packet's location without manually checking each office. Version tracking was also a challenge. However, beginning in September 2024, the Department transitioned to routing documents through a cloud-based platform already used by the City for other purposes. This change allows documents to be reviewed and approved from anywhere at any time, significantly improving efficiency and making it easier to access and verify required documentation. Discussion ensued.

**MOTION: Council Member Thompson moved to accept the Police Department Confidential Funds Audit.**

**SECOND: Council Member Hondros**

**VOTE: UNANIMOUS (4-0)**

### **B. Downtown Republic Parking Contract**

The City entered into a contract with Republic Parking System in December 2019 to manage downtown parking operations. This agreement covered more than 2,100 parking spaces, including metered street parking, public decks, and surface lots. The audit focused on the City's downtown parking operations contract with Republic Parking System, LLC for calendar years 2023 and 2024. The purpose of the audit was to determine whether parking operations and activities were conducted in accordance with the contract's terms and conditions, and to assess whether City management effectively monitored the contracted parking operations.

Republic Parking staff were responsible for the day-to-day management of downtown parking operations, which, according to the contract, included issuing parking violations, collecting parking revenues, facilitating leased parking spaces, and maintaining the cleanliness and condition of parking lots and decks. The City, in turn, was responsible for ensuring that the contractor performed these duties in accordance with the terms of the contract.

#### Finding 1

The contract with Republic Parking System lacked clarity in several key areas, making it difficult to enforce or interpret consistently. These areas included enforcement roles and responsibilities, collection of past-due accounts, cleaning and maintenance of parking decks, citation voids and waivers, billing for special events and management fees, the City's ability to conduct contract monitoring activities, and maintenance of the Parkfayetteville.com website. Discussion ensued.

To address this finding, it is recommended that City management update the contract terms in the areas identified, and management concurs with this recommendation.

#### Finding 2

The second area of concern was that the City did not consistently monitor or enforce the terms of the parking contract. Several specific gaps were identified. First, there was no verification process to ensure that all parking revenue collected by Republic was actually received by the City. Additionally, there was no documentation showing that unpaid citations were referred to the State's debt setoff program for collection. Citation voids, waivers, and appeals were not reviewed by City staff, and there were no written guidelines to determine whether such actions were appropriate. Although the contract required monthly stakeholder meetings, only seven meetings were documented during the 24-month audit period. Charges for special events were not always verified, raising the possibility that the City may have been billed for events that were canceled or postponed. The contract also stated that Republic should not make any expenditures for system repairs or equipment breakdowns without prior approval, yet there was no evidence that such approvals were obtained. Furthermore, several contractually required reports were either submitted late or not submitted at all, with no follow-up from City staff to ensure compliance. Overall, these issues point to a lack of structured contract management processes, which increases the risk of revenue loss, non-compliance, and inconsistent service delivery. Council Members Haire and Hondros thanked the Audit Staff for their hard work on this audit.

Council Member Hondros asked whether Finding 2 was a deficiency in the contract or monitoring of the contract. Ms. Rasmussen responded the deficiency was in monitoring of the contract.

It is recommended that the department establish written policies and procedures for contract management and administration, and management concurs. City management should formalize these practices to ensure consistent oversight and accountability. At a minimum, the policies and procedures should include designated responsibility for completing monitoring activities, periodic performance reviews, documentation of work completed by the contractor, maintenance of reports and communications, invoice review and monitoring, and a schedule of receivables. These measures will help strengthen contract oversight and reduce the risk of non-compliance or financial discrepancies.

**MOTION:** Council Member Thompson moved to accept the Downtown Republic Parking Contract Audit.

**SECOND:** Council Member Hondros

**VOTE:** UNANIMOUS (3-0)

### **C. Fiscal Year 2026 Audit Plan**

Ms. Rasmussen presented the proposed audit plan for the fiscal year ending June 30, 2026. The plan includes hours allocated not only for scheduled audits but also for continued support to peer departments, particularly in assisting with the implementation of the City's Oracle HUB project and the new Point of Sale system. These support hours are subject to change based on project needs and may impact the number of audits that can be completed during the year.

The FY26 Audit Plan consists of six new audits, one follow-up audit, two required annual reviews, and two consulting services. These audits were selected based on the annual city-wide risk assessment, which evaluates departments and programs using multiple criteria. Programs identified as having the highest levels of risk are prioritized, and audit focus areas are determined accordingly.

This risk-based approach ensures that audit resources are directed toward areas with the greatest potential impact on City operations and service delivery.

The new audits planned for FY26 include Solid Waste Management, Fire Emergency Response, Transit Fixed Route Operations, Police Department Traffic Unit, Information Technology Asset Management, and Police Department Confidential Funds. These areas were selected based on the City's annual risk assessment and reflect a focus on operational efficiency, public safety, and effective resource management.

Council Member Thompson asked how are the audits scheduled. Ms. Rasmussen responded audits are done on a scoring matrix. A survey was sent out to Mayor and City Council and staff to gather their perspectives on the highest risk categories facing the City or their department.

This year's risk category includes:

- **Operational Risk** – arising from failures in day-to-day operations, such as service delivery issues, internal process breakdowns, staff errors, or system malfunctions.
- **Governance Risk** – stemming from ineffective leadership, lack of oversight, poor accountability, or weak internal controls.
- **Human Resource Risk** – related to staffing challenges, including talent shortages, inadequate training, labor disputes, or difficulties in attracting skilled personnel.

The one follow-up audit planned for FY26 is the Residential Solid Waste Fees Audit. The original report was issued in October 2019, and the department reported that all recommendations had been implemented during the February 6, 2025, Audit Committee meeting. Two required annual reviews will be conducted: one on Proximity Cards to ensure that only individuals with a legitimate need have access to City buildings and resources, and another on Conflict of Interest, as mandated by the City's Code of Ethics.

The consulting services include the implementation of Oracle Human Capital Management and Payroll and the implementation of iNovah which will replace the City's current cashiering system.

Ms. Rasmussen stated in recent years, completing audits outlined in the audit plan has become increasingly challenging due to operational changes within auditee departments, much of which has resulted from staffing turnover. To minimize downtime for the audit department and avoid delays in seeking Audit Committee approval for adjustments, contingency projects are now included in the audit plan. These preapproved projects provide flexibility, allowing the audit team to pivot and proceed with alternative audits if obstacles arise that prevent completion of the originally scheduled audits.

**MOTION:** Council Member Thompson moved to accept the FY 2026 Audit Plan.

**SECOND:** Council Member Hondros

**VOTE:** UNANIMOUS (3-0)

## 7. ADJOURNMENT

There being no further business the meeting adjourned at 4:20 p.m.

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D.J. Haire, Committee Chair

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Paula Handberry, Executive Assistant to the City Council

DRAFT



January 29, 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 (2nd Quarter)

| Recommendations                                  |               |        |          |             |             |             |         |
|--|---------------|--------|----------|-------------|-------------|-------------|---------|
| Audit Title                                      | Date Released | Issued | Accepted | Not Started | In Progress | Implemented | Overdue |
| A2025-03 City-wide Grants: Finance Department    | April 2025    | 9      | 9        | 0           | 4           | 3           | 2       |
| A2025-03 City-wide Grants: City Manager's Office | April 2025    | 3      | 3        | 0           | 2           | 1           | 0       |
| A2025-06 Downtown Republic Parking Contract      | August 2025   | 2      | 2        | 0           | 2           | 0           | 0       |

**Office of Internal Audit  
Quarterly Management Implementation Status Report  
Fiscal Year 2025-2026 (2nd Quarter)**

## A2025-03 Citywide Grants Audit

### Finance

| Not Started | In Progress | Implemented | Overdue | Total |
|-------------|-------------|-------------|---------|-------|
| 0           | 4           | 2           | 2       | 8     |

|  |   |
|--|---|
| <b>RECOMMENDATION<br/>2.1</b>            | 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. |
| <b>MANAGEMENT<br/>RESPONSE</b>           | 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.<br><b>Responsible Party:</b> Finance Department<br><b>Implementation Date:</b> June 30, 2026   |
| <b>STATUS AS OF<br/>October 23, 2025</b> | <b>In progress:</b> IT has drafted a Laserfiche workflow. Finance is currently testing with the assistance of IT. Once complete we will have a centralized repository. In the interim Finance continues to use the internal e-drive for grant documentation   |
| <b>STATUS AS OF<br/>January 29, 2026</b> | <b>In progress:</b> 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.   |

**Office of Internal Audit**  
**Quarterly Management Implementation Status Report**  
**Fiscal Year 2025-2026 (2nd Quarter)**

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|--------------------------------------|---|
| <b>RECOMMENDATION 2.2</b>            | 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.  |
| <b>MANAGEMENT RESPONSE</b>           | <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><b>Responsible Party:</b> Finance Department<br/> <b>Implementation Date:</b> December 31, 2025</p>  |
| <b>STATUS AS OF October 23, 2025</b> | <b>In progress:</b> IT has drafted a Laserfiche workflow. Finance is currently testing with the assistance of IT. Once complete we will have a centralized repository. In the interim Finance continues to use the internal e-drive for grant documentation.  |
| <b>STATUS AS OF January 29, 2026</b> | <b>Overdue:</b> 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  |
| <b>RECOMMENDATION 2.3</b>            | 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.  |
| <b>MANAGEMENT RESPONSE</b>           | <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><b>Responsible Party:</b> Finance Department<br/> <b>Implementation Date:</b> July 1, 2026</p> |

**Office of Internal Audit  
Quarterly Management Implementation Status Report  
Fiscal Year 2025-2026 (2nd Quarter)**

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| <b>STATUS AS OF<br/>October 23, 2025</b> | <b>In progress:</b> IT has drafted a Laserfiche workflow. Finance is currently testing with the assistance of IT. Once complete we will have a centralized repository. In the interim Finance continues to use the internal e-drive for grant documentation.                             |
| <b>STATUS AS OF<br/>January 29, 2026</b> | <b>In progress:</b> 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.    |
| <b>RECOMMENDATION<br/>3.3</b>            | 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.   |
| <b>MANAGEMENT<br/>RESPONSE</b>           | 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.<br><b>Responsible Party:</b> Finance Department<br><b>Implementation Date:</b> December 31, 2026 |
| <b>STATUS AS OF<br/>October 23, 2025</b> | <b>In Progress:</b> We published an update to the current Grants Policy to provide clarification to departments. The full revision of the Grants Policy will take place once the Grants Manager is in place. Hiring is currently in progress.  |
| <b>STATUS AS OF<br/>January 29, 2026</b> | <b>In Progress:</b> 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.   |
| <b>RECOMMENDATION<br/>3.4</b>            | 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.  |
| <b>MANAGEMENT<br/>RESPONSE</b>           | We concur. As mentioned previously, the repository will be used to track and manage the process and documentation.<br><b>Responsible Party:</b> Finance Department   |

**Office of Internal Audit  
Quarterly Management Implementation Status Report  
Fiscal Year 2025-2026 (2nd Quarter)**

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|--|---|
|  | <b>Implementation Date:</b> December 31, 2026   |
| <b>STATUS AS OF<br/>October 23, 2025</b> | <b>In progress:</b> We are working with IT to create a centralize repository. In the interim we are still utilizing the Finance Drive for grant documentation. Finance is gathering all grant agreements to ensure an accurate list of grants is maintained.  |
| <b>STATUS AS OF<br/>January 29, 2026</b> | <b>In progress:</b> 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 |
| <b>RECOMMENDATION<br/>4.1</b>            | Develop and implement standard operating procedures for setting up awards in Oracle HUB that should include but not be limited to timeliness for award set up in the system.  |
| <b>MANAGEMENT<br/>RESPONSE</b>           | We concur. Finance currently has guides to assist with the setup of grants but now must formalize and/or correct these guides. Comprehensive SOP's will be created, tested, implemented and all applicable staff trained.<br><b>Responsible Party:</b> Financial Reporting Manager<br><b>Implementation Date:</b> December 31, 2025                   |
| <b>STATUS AS OF<br/>October 23, 2025</b> | <b>In progress:</b> Will be finalized by December 31, 2025.   |
| <b>STATUS AS OF<br/>January 29, 2026</b> | <b>Implemented:</b> Current guides are functioning as intended. It should be noted that Finance will exit the PPM module in HUB by 6/30/2026. This shift will also change the current guides and SOPs as projects will be set up directly in the general ledger versus the grant's module.  |
| <b>RECOMMENDATION<br/>4.2</b>            | Train all current staff on the new procedures and provide training to all new staff when on boarding.   |
| <b>MANAGEMENT<br/>RESPONSE</b>           | We concur. Finance currently has guides to assist with the setup of grants but now must formalize and/or correct these guides. Comprehensive SOP's will be created, tested, implemented and all applicable staff trained.<br><b>Responsible Party:</b> Financial Reporting Manager<br><b>Implementation Date:</b> December 31, 2025                   |

**Office of Internal Audit  
Quarterly Management Implementation Status Report  
Fiscal Year 2025-2026 (2nd Quarter)**

|  |   |
|--|---|
| <b>STATUS AS OF<br/>October 23, 2025</b> | <b>In progress:</b> Will be finalized by December 31, 2025.   |
| <b>STATUS AS OF<br/>January 29, 2026</b> | <b>Implemented:</b> Current guides are functioning as intended. It should be noted that Finance will exit the PPM module in HUB by 6/30/2026. This shift will also change the current guides and SOPs as projects will be set up directly in the general ledger versus the grant's module.  |
| <b>RECOMMENDATION<br/>4.3</b>            | Reconcile all current awards and associated projects in Oracle HUB with granting agency records. Document and perform remediation for any corrections needed.   |
| <b>MANAGEMENT<br/>RESPONSE</b>           | 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.<br><b>Responsible Party:</b> Financial Reporting Team (Finance Department)<br><b>Implementation Date:</b> December 31, 2025 |
| <b>STATUS AS OF<br/>October 23, 2025</b> | <b>In progress:</b> On schedule to be completed December 31, 2025.  |
| <b>STATUS AS OF<br/>January 29, 2026</b> | <b>Overdue:</b> 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.  |

**Office of Internal Audit  
Quarterly Management Implementation Status Report  
Fiscal Year 2025-2026 (2nd Quarter)**

## A2025-03 Citywide Grants Audit

### City Manager's Office

| Not Started | In Progress | Implemented | Overdue | Total |
|-------------|-------------|-------------|---------|-------|
| 0           | 2           | 1           | 0       | 3     |

|  |   |
|--|---|
| <b>RECOMMENDATION<br/>1.1</b>            | <p>City management should establish a central grants management function with duties that should include but not be limited to providing grant-related support and oversight to all City departments.</p>   |
| <b>MANAGEMENT<br/>RESPONSE</b>           | <p>We concur with reservations. Management is in agreement with the recommendation, but there are circumstances that could affect its implementation which have to be resolved. A central grants management function requires FTE (to include additional budget) and determination on the appropriate place for this position(s) to report (Finance vs. City Manager's Office). In addition, the responsibilities for this position must be determined. An effective grants manager would require vast knowledge of City departments as well as knowledge of a wide-range of granting agencies. As the City's grant portfolio continues to grow, additional oversight is needed.</p> <p>A Grants and Compliance Manager position will be recommended in the City Manager's recommended budget.</p> <p><b>Responsible Party:</b> City Manager's Office<br/><b>Implementation Date:</b> June 30, 2026</p> |
| <b>STATUS AS OF<br/>October 23, 2025</b> | <b>In Progress:</b> We are working with the successful candidate to finalize the hire date for the grants manager.  |
| <b>STATUS AS OF<br/>January 29, 2026</b> | <b>Implemented:</b> We have hired the Citywide Grants Manager, and they have started  |

**Office of Internal Audit**  
**Quarterly Management Implementation Status Report**  
**Fiscal Year 2025-2026 (2nd Quarter)**

|                                      |   |
|--------------------------------------|---|
| <b>RECOMMENDATION</b><br><b>3.1</b>  | 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: <ul style="list-style-type: none"><li>a. Incorporating competitive and non-competitive grants.</li><li>b. Incorporating the gaps identified during review of Title 2 Part 200 of the Code of Federal Regulations.</li><li>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.</li><li>d. Requiring departments to provide their grant standard operating procedures to the party responsible for the centralized repository for storage.</li><li>e. Identifying the grant management function and associated responsibilities.</li><li>f. Designating the personnel responsible and associated responsibilities of the City’s SAM.gov account and unique entity ID (UEI).</li><li>g. Designating a responsible party for the overall ownership and maintenance of the centralized repository.</li><li>h. Establishing guidelines for organizations that receive grant awards under the City’s name so the City can provide grant oversight.</li><li>i. Establishing grant closeout procedures and responsibilities.</li><li>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.</li><li>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.</li><li>l. Incorporating any checklists or forms required.</li></ul> |
| <b>MANAGEMENT</b><br><b>RESPONSE</b> | <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>  |

**Office of Internal Audit  
 Quarterly Management Implementation Status Report  
 Fiscal Year 2025-2026 (2nd Quarter)**

All new and updated policies and operating procedures will comply with Title 2 Part 200 of the Code of Federal Regulations.

**Responsible Party:** City Manager’s Office (Grants working group)

**Implementation Date:** December 31, 2026

**STATUS AS OF  
 October 23, 2025**

**In Progress**

**STATUS AS OF  
 January 29, 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**

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.

**Responsible Party:** City Manager’s Office (Grants working group)

**Implementation Date:** December 31, 2026

**STATUS AS OF  
 October 23, 2025**

**In Progress**

**STATUS AS OF  
 January 29, 2026**

**In Progress**

**Office of Internal Audit  
Quarterly Management Implementation Status Report  
Fiscal Year 2025-2026 (2nd Quarter)**

## A2025-06 Downtown Republic Parking Contract Audit

| Not Started | In Progress | Implemented | Overdue  | Total    |
|-------------|-------------|-------------|----------|----------|
| <b>0</b>    | <b>2</b>    | <b>0</b>    | <b>0</b> | <b>2</b> |

|                                |   |
|--------------------------------|---|
| <b>RECOMMENDATION<br/>1.1</b>  | <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"> <li>a. Clarification on what enforcement includes.</li> <li>b. Establish clear expectations on whether the positions for parking enforcement, parking ambassador and staff validating event payment should each be separate staff.</li> <li>c. Responsibility, documentation requirements and procedures for the debt set off process.</li> <li>d. Type and frequency/schedule for cleaning and maintenance of lots and decks, including documentation of services completed.</li> <li>e. Guidance for voids and waivers of citations.</li> <li>f. Specific contractor billing requirements for all applicable costs.</li> <li>g. Types of reports required by City staff and frequency of delivery. (e.g. financial, utilization, monthly leases and citations).</li> <li>h. Requirements around City access to VATS, parking revenue bank account and Republic’s parking revenue software.</li> <li>i. Responsibility for the maintenance of the Park Fayetteville web page.</li> <li>j. Current operational conditions, such as changes in lot capacities (e.g. Winslow Street Lot).</li> <li>k. Allowance for maintenance and inspection of all records related to or in support of contractual obligations.</li> </ol> |
| <b>MANAGEMENT<br/>RESPONSE</b> | <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>  |

**Office of Internal Audit**  
**Quarterly Management Implementation Status Report**  
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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  
October 23, 2025**

**In Progress:**

- a. [Not Implemented] A Parking Management Services Request For Proposals (RFP) is currently being drafted by Public Services. The current iteration of this RFP is interdepartmental review. This Parking RFP includes clarification on what enforcement includes. It is Staff's opinion that when the Parking RFP identifies and selects a proposer to enter into contract with, this item (and other items) can turn from "Not Implemented", to "Implemented".
- b. [Partially Implemented] The previously discussed RFP includes clarification and specification on the delineation between parking ambassador, parking enforcement staff, and special event staff. The Parking RFP also requires proposals to include organizational charts to show proposed structures for the operations of the programs, to assist in clarifying and specifying staffing requirements. The delineation in roles has been identified as well by the current contractor via an organizational chart they have provided.
- c. [Partially Implemented] The previously discussed RFP includes specifications surrounding the documentation requirements for the debt set off process, as well as specifications for automating the procedure. Responsibility has been established as that of the City's via e-mail, however the contractor is investigating automating that process as part of their parking management software abilities. Park Fayetteville is in discussion with the Finance department to coordinate debt set off practices.
- d. [Partially Implemented] The contractor has acquired and begun implementing 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. The software is currently undergoing trials, and is expected to be fully operational and in-service by the end of the calendar year.
- e. [Not Implemented] Standard Operating Procedures have been identified as being required from the contractor, however thorough discussions on those requirements

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have not been completed yet. Outside of the current contractor operations, the previously discussed RFP goes into great detail on the requirements that the potentially selected contractor will need to provide guidelines for many items, including voids and waivers of citations.

- f. [Partially Implemented] The invoicing template with the current contractor has been discussed at-length with specific requirements. The items being reported on for the invoicing template continues to grow and be refined, as well as the items staff review for. Staff's review has found billing discrepancies requiring corrections from the contractor.
- g. [Implemented] City staff have required reports to be submitted as part of the invoicing template, as well as through their MaintainX platform. We continue to identify the proper format and types to submit, however their frequency has also been pointed-to consistently with the contractor. Outside of the current contractor operations, the previously discussed RFP goes into great detail regarding the requirements that the potentially selected contractor will need to provide in order to supply various reports across various times, all of which are specified.
- h. [Partially Implemented] VATS has been deactivated by the contractor, and the system has been migrated to Park Loyalty. The City is in current coordination with the contractor to gain read-only access to Park Loyalty (their parking revenue software replacement for VATS). In addition, it is Public Services understanding that the Budget/Finance department has access to the parking revenue bank account.
- i. [Partially Implemented] The Park Fayetteville web page was addressed with the contractor and was revised mid-August to reflect current operations and information. The majority of information has been corrected however we are still working with the contractor to address some missed items.
- j. [Not Implemented] Operational conditions (such as capacities) have been updated in the previously discussed RFP.
- k. [Not Implemented] 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.
- 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.

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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.
- 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

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- 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.
  - 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

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item will be considered "Implemented" when the Parking RFP identifies and selects a proposer to enter into contract with.

|  |   |
|--|---|
| <b>RECOMMENDATION<br/>2.1</b>            | <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"> <li>a. Designated responsibility for the completion of the monitoring activities;</li> <li>b. Periodic performance reviews;</li> <li>c. Documentation of completed work by the contractor;</li> <li>d. Maintenance of reports and communications;</li> <li>e. Invoice review and monitoring; and</li> <li>f. A schedule of receivables.</li> </ul>  |
| <b>MANAGEMENT<br/>RESPONSE</b>           | <p>Management concurs with the recommendations; and is taking steps to address concerns through:</p> <ul style="list-style-type: none"> <li>a. Contract amendments;</li> <li>b. Biweekly vendor meetings;</li> <li>c. Documented monitoring activities</li> <li>d. Invoice reviews;</li> <li>e. Development of formal policies and procedures; and</li> <li>f. Development of a schedule of receivables.</li> </ul> <p><b>Responsible Party:</b> Sheila Thomas-Ambat, Public Services Director<br/>Brian McGill – Assistant Public Services Director, Traffic Services</p> <p><b>Implementation Date:</b> June 30, 2026</p> |
| <b>STATUS AS OF<br/>October 23, 2025</b> | <p><b>In Progress</b></p> <ul style="list-style-type: none"> <li>a. [Partially Implemented] The parking program and related contract responsibilities are being 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</li> </ul>   |

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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) is currently being drafted by Public Services. The current iteration of this RFP is interdepartmental review. This Parking RFP includes clarification on the designated responsibilities of various City staff and other stakeholders. It is Staff's opinion that when the Parking RFP identifies and selects a proposer to enter into contract with, this item can turn from "Partially Implemented", to "Implemented".

- 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 not been completed.
- 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. Formal written policies and procedures have not been completed.
- d. [Partially Implemented] Invoices are being reviewed via the review and scrutiny of other reports received from the contractor. 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 not been completed.
- 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 not been completed.
- 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

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contractor will work towards defining a realistic schedule as the end of the calendar year approaches. Formal written policies and procedures have not been completed.

- 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 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,

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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 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

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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.



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

ISSUED JANUARY 2026

## Office of Internal Audit

Internal Audit Director  
Rose Rasmussen, CIA, CFE

Senior Internal Auditor  
Christina Zimmerman, MBA, CFE

Internal Auditor  
Eleanor Myers

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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.

|                            |  |
|----------------------------|--|
| <b>Recommendation 1.1</b>  | 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.   |
| <b>CURRENT OBSERVATION</b> | 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. |
| <b>DETERMINED STATUS</b>   | <b>IMPLEMENTED</b>   |
| <b>Recommendation 1.2</b>  | 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.   |
| <b>CURRENT OBSERVATION</b> | 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.   |
| <b>DETERMINED STATUS</b>   | <b>IMPLEMENTED</b>   |

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

|                            |   |
|----------------------------|---|
| <b>Recommendation 2.1</b>  | Update the customer addresses in Fleetmind consistent with current routes.  |
| <b>CURRENT OBSERVATION</b> | 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.  |
| <b>DETERMINED STATUS</b>   | <b>NOT IMPLEMENTED</b>  |
| <b>Recommendation 2.2</b>  | Develop a process to add, activate and deactivate addresses in Fleetmind as needed to maintain current, accurate, valid data.   |
| <b>CURRENT OBSERVATION</b> | 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.<br><br>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. |
| <b>DETERMINED STATUS</b>   | <b>PARTIALLY IMPLEMENTED</b>  |

---

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

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# Solid Waste Management – Special Waste Services Audit (A2026-01)

ISSUED JANUARY 2026

## Office of Internal Audit

Director of Internal Audit  
Rose Rasmussen, CIA, CFE

Senior Internal Auditor  
Christina Zimmerman, MBA, CFE

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# Audit Report Summary

Issued January 2026

## **Why We Did This Audit:**

The Solid Waste Division provided collection services for waste materials that were not included in the annual residential solid waste fee. These services were offered for a fee as detailed in the annual fee schedule adopted by the City Council.

This audit was performed to provide assurance the Division's process was working as intended and fees were assessed in compliance with the adopted fee schedule.

## **Objectives:**

Determine if Solid Waste Division special waste services were:

1. Performed and fees were assessed in compliance with the fiscal year 2025 adopted fee schedule, and
2. Delivered in accordance with the Division's turnaround standards.

## **Scope:**

Special waste service requests for the period July 1, 2024 through June 30, 2025.

## **What We Did:**

- Conducted process walkthroughs with Division staff.
- Compared completed work orders to payments collected to determine if payments were collected for the services provided.
- Selected a sample of work orders and traced them to corresponding service requests and point of sale payment transactions to test timeliness of services provided.

## **What We Found:**

- The Solid Waste Division was providing timely service based on the Division's turn around standards.
- 35 of 36 work orders were closed within 6 days of opening, excluding weekends and holidays. The remaining work order was for an event scheduled one month later.
- The Division had processes in place for the execution of special waste services that appeared to be effective.
- Fees were not collected for the 278 work orders for the pickup of commodes; however these fell under the Household Construction Debris Pickup fee on the fee schedule.

### **Household Construction Debris Pickup**

|                          |                              |
|--------------------------|------------------------------|
| Generated by contractor  | Not offered                  |
| Under 10 cubic yards     | \$50.00 per load, scheduled  |
| 10 - 20 cubic yards      | \$100.00 per load, scheduled |
| More than 20 cubic yards | \$357.00 per load, scheduled |

## **What We Recommended:**

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.

# Solid Waste Management – Special Waste Services (A2026-01)



The Office of Internal Audit has completed the audit of Solid Waste Management – Special Waste Services as approved by the Audit Committee as part of the Fiscal Year 2026 Annual Audit Plan.

## Objective and Scope

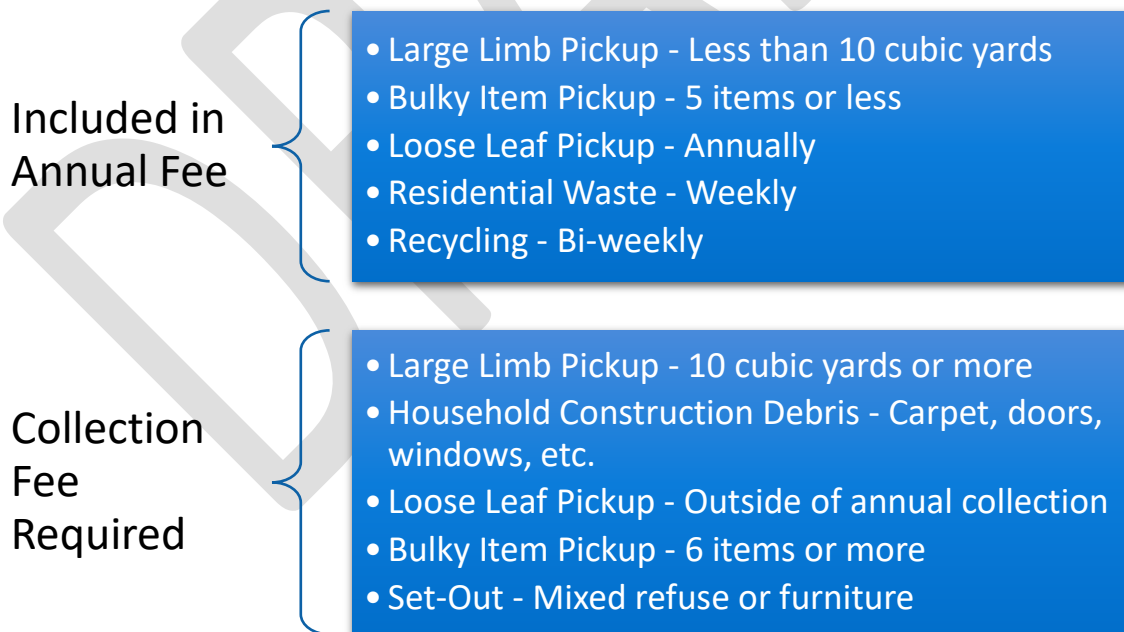
The objectives of this audit were to determine if Solid Waste special waste services were:

- Performed and fees were assessed in compliance with the fiscal year 2025 adopted fee schedule; and
- Delivered in accordance with Division’s turnaround standards.

The scope of the audit included special waste service requests for the period July 1, 2024 through June 30, 2025.

## Background

The Solid Waste Division provided solid waste services which were paid by City residents through the 'Residential Solid Waste Fee'. The City also provided other collection services at an additional cost as detailed in the fee schedule adopted by the City Council annually.



For collection outside of the weekly residential waste, bi-weekly recycling and annual loose leaf pickups, residents can initiate a service request through several channels, including contacting the 1FAY Call Center, the FayFixIt mobile app and web page, or contacting the Division directly. Once a request is submitted, the Division inspects the waste to determine the type of collection and any fees associated.

After the resident paid the assessed fee, a work order was created, and the collection was scheduled for the next available date. Special waste services took place on the Wednesday following the work order creation, unless the week contained a holiday. In this case, the collection would take place the following Wednesday.

Refuse collected by the Division was disposed of at different locations, depending on the type of materials collected. Most of the refuse collected by the City was taken to the Cumberland County Landfill for disposal. The Landfill had an established fee schedule which was used to bill the City for the disposal of refuse collected from residents.

## ***Audit Methodology***

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

- **Documentation Review:** Internal Audit reviewed the fiscal year 2025 adopted fee schedule, City Code of Ordinances Chapter 22 and other relevant documentation related to special waste services.
- **Walkthroughs:** Internal Audit conducted walkthroughs with Solid Waste Division staff for the inspection of loads, determination of fees, collections, service request and work order processes.
- **Financial Data Analysis:** Completed work orders from CityWorks, a work and project management software, were compared to the payment transactions in the City's point-of-sale system to determine if work completed was in alignment with fees collected.
- **Service Request and Work Order Data Analysis:** CityWorks data was used to examine types of services provided and timeliness of services completed.

## Results

Internal Audit determined the Solid Waste Division provided timely service to residents requesting special waste services. The sample of work orders confirmed requests for service were completed within six days of initiation (excluding weekends and holidays), with an average turnaround time of just two days.

Audit testing indicated that while service delivery is prompt and responsive, the Solid Waste Division did not consistently apply the adopted fee schedule to all special paid collections.

### **Finding 1 – Fees were not assessed for all collections.**

|                       |  |
|-----------------------|--|
| <b>Criteria</b>       | The fiscal year 2025 fee schedule, adopted by the City Council, required a minimum fee of \$50 for the pickup of household construction debris.<br><br><i>Solid Waste Ordinance Chapter 22 defines household construction debris as "lumber, carpet, plumbing materials, floor coverings, pool liners, roofing material, gutters, and other materials or substances accumulated as a result of new construction, repairs, remodeling, or additions to existing residential structures or accessory structures, or demolition of such."</i> |
| <b>Condition</b>      | During the audit scope, there were 278 work orders for commode pickup for which no fee was assessed.   |
| <b>Cause</b>          | Division staff stated they were previously instructed not to assess fees for the collection of commodes; however, staff was unable to provide any documentation or formal approval supporting this directive.  |
| <b>Effect</b>         | Fees for paid collections of construction debris were inconsistent.  |
| <b>Recommendation</b> | 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'S RESPONSES**

#### **Recommendation 1.1:**

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

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.

Responsible Party: Public Services Director Sheila Thomas-Ambat and Public Services Assistant Director Daniel Edwards

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.

## ***Conclusion***

Internal Audit has concluded work on the Solid Waste Management – Special Waste Services Audit.

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

DRAFT