

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

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

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

1.0 Call to Order

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

2.0 Welcome New Audit Committee Members

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

3.0 Approval of Agenda

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

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

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

5.0 Discussion of Appointment of Officers

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

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

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

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

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

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

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

All original eight (8) findings presented were implemented.

Discussion ensued.

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

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

Discussion ensued.

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

b. Police Department Payroll Audit (A2020-01)

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

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

Eight (8) findings were identified.

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

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

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

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

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

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

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

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

Discussion ensued.

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

7.0 Quarterly Management Implementation Status Report

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

8.0 Adjournment

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

Respectfully submitted,

JENNIFER AYRE
Deputy City Clerk
080620

COUNCIL MEMBER JOHNNY DAWKINS
Chairman