FAYETTEVILLE NC

AMERICA'S CAN DO CITY

City of Fayetteville, NC
Audit Committee Meeting

April 27, 2023 @3:00 pm

1st Floor – Lafayette Room

433 Hay Street, Fayetteville, NC 28301

Audit Committee Meeting
April 27, 2023 @ 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. Review of Audit Committee Charter and Bylaws

6. Internal Audit Activities *(Presented by Internal Audit staff)*:
   a. Evidence and Property Management Follow-up Audit #2

7. Any New Business *(Requested by Chair)*

8. Adjournment

Attachments:
   a) Draft Meeting Minutes – January 26, 2023
   b) Quarterly Management Implementation Status Report 3rd Quarter FYE23
   c) Draft Audit Committee Charter and Bylaws
   d) Evidence and Property Management Follow-up Audit #2 (A2018-01F2)

AUDIT COMMITTEE QUARTERLY MEETING MINUTES
SAINT AVOLD CONFERENCE ROOM, 3rd FLOOR
CITY HALL, 433 HAY STREET, FAYETTEVILLE
THURSDAY, JANUARY 26, 2023
3:00 P.M.

Committee Members Present: Ron O'Brien, Chair
    Mayor Pro Tem Johnny Dawkins
    Council Member Derrick Thompson

Committee Members Absent: Council Member D. J. Haire
    Mfon Akpan

Council Members Present: Council Member Deno Hondros

Staff Present:
    Doug Hewett, City Manager
    Jeffrey Yates, Assistant City Manager
    Kelly Olivera, Assistant City Manager
    Jodi Phelps, Chief of Staff
    Rose Rasmussen, Internal Audit Director
    Christina Zimmerman, Internal Auditor
    Jody Picarella, Chief Financial Officer
    Karen McDonald, City Attorney
    Willie Johnson, Assistant Chief Information Officer
    Dwayne Campbell, Chief Information Officer
    Chief Ronnie Willett, Fayetteville Fire Department
    Daniel Edwards, Assistant Public Services Director
    Christopher Cauley, Economic & Community Dev. Director
    Taurus Freeman, Economic & Community Dev. Asst. Director
    Michelle Haire, Economic Development Administrator
    Paula Handberry, Executive Assistant to the City Council

1. **Call to Order**

   Mr. Ron O'Brien called the meeting to order at 3:02 PM

2. **Approval of Agenda**

   MOTION: **Council Member Thompson moved to approve the agenda**
   SECOND: **Mayor Pro Tem Dawkins**
   VOTE: **UNANIMOUS (3-0)**

3. **Approval of Minutes**

MOTION:	**Mayor Pro Tem Dawkins moved to approve the October 27, 2022 minutes.**
SECOND:	**Council Member Thompson**
VOTE:	**UNANIMOUS (3-0)**

4. **Management Report – Presented by Ms. Rose Rasmussen, Internal Audit Director**
   a. Quarterly Management Implementation Status Report
      - Of the 11 completed audits on the Corrective Action Plan (CAP), six are ready for a follow up from Internal Audit. Management has expressed that all recommendations have been fully implemented.
      - Five of the completed audits have recommendations that are not fully implemented:
        o Solid Waste Fees: The Solid Waste ordinance, with new service limits, was approved by Council on January 9, 2023. The revised fee schedule will be presented at the February general session.
        o Wireless Communication Usage: IT has created a draft guideline for the other departments on device management. The target release date for these guidelines is March 31, 2023.
        o Vector Fleet Contract: The department has only one outstanding recommendation for this audit. The fleet is currently holding meetings with individual departments on a bi-weekly basis and continues to work toward establishing the Fleet Maintenance Committee.
        o Fire Kronos Implementation: The written policies and procedures will be finalized once the KRONOS, timekeeping system, upgrade has been implemented.
        o Subrecipient Grant Monitoring- The department stated they implemented 4 of the 8 recommendations. For the remaining recommendations, the updated Subrecipient agreement template and new risk assessment will be implemented July 1, 2023. The expected completion date for the operating procedures manual is February 2023.

Questions:

Mayor Pro Tem Dawkins asked which Assistant City Manager was assigned to Vector/Fleet and will there be monthly team meetings. City Manager Doug Hewett responded Assistant City Manager Jeffrey Yates. Team meetings have not yet been established.

Discussion ensued.

Mayor Pro Tem Dawkins asked when will the Solid Waste recommendations take effect. Mr. Daniel Edwards Assistant Public Services Director responded the goal date is July 1, 2023.

Discussion ensued.

This report is for informational purposes and no action needed.

5. Internal Audit Activities- presented by Internal Audit Staff
a. Procurement Card Audit

Background
- The Finance Department administers the procurement card program.
- There are 244 active cards as of October 26, 2022
- There were 8,785 transactions totaling $1,533,062.82 between July 1, 2021 to July 31, 2022

Scope
- A sample of 590 transactions totaling $88,274,45 were reviewed for this audit.

Findings:

Condition
The City's Procurement Card Policy was not updated to reflect current business practices and include all controls needed.

Cause & Effect
Business practices were effected due to COVID which resulted in increased online shopping, remote work, increased turnover, and the implementation of Oracle.

There is potential fraud risk and lack of information to support purchases.

Recommendations
Updating the policy will assist on fraud risk from using personal online shopping accounts. It will provide guidance on information and documentation for business purpose to clearly support why the purchase was needed to conduct City business.

Questions
Council Member Thompson asked is it legal for city purchased items to be shipped to a personal residence. Ms. Rasmussen responded it's a fraud risk. Mrs. Karen McDonald City Attorney stated this practice is not consistent with policy.

Discussion ensued.

Mayor Pro Tem Dawkins recommended changing the policy to have items shipped to a city warehouse. Ms. Rasmussen responded the finding is to update the policy to implement these controls.

Discussion ensued.

MOTION: Council Member Thompson moved to accept the Procurement Card Audit
SECOND: Mr. Ron O'Brien
VOTE: UNANIMOUS (3-0)

b. FY2023 Audit Plan

There are three other factors that had significant impact on this audit plan: a vacant position; assistance provided to the Finance Department which has also been impacted by vacancies; and support in the implementation of the City's Oracle software.

The FY 2023 audit plan will be limited to include only one new audit which will be the annual Confidential Funds Audit, one follow-up audit and three consulting services.

Three projects from last fiscal year are being carried over to the audit plan this fiscal year. The completion of two of these audits is impacted by the Oracle implementation.

The Evidence and Property Management 2nd follow-up audit has started. The fiscal year will end with the annual Police Department Confidential Funds.

The annual conflict of interest review has been completed. The annual proxy card review is forthcoming. The consulting services are related to Oracle implementation and assisting the Finance Department.

Questions:
Mayor Pro Tem Dawkins asked is Oracle part of the ERP. Mr. Yates responded yes. Ms. Rasmussen stated the ERP is Enterprise Resource Planning that was rolled out in March 2022.

Council Member Thompson asked what are Confidential Funds. Ms. Rasmussen responded funds used by the police department to do sting operations.

Discussion ensued.

Mayor Pro Tem Dawkins asked how many staff shortages are there and how does this compare to previous years. Ms. Rasmussen responded staff is short by one. Mayor Pro Tem recommended finding someone to fill the vacant position. Mr. Hewett stated staff is exploring the option of contracting an accounting firm.

Discussion ensued.

Mr. Ron O'Brien stated there has to be an understanding of the cumulative effect of not performing an audit year after year. There cannot be an adequate audit without adequate staff. There has to be a sense of urgency in getting the position filled.

Council Member Thompson stated it's paramount to proceed cautiously and work in the best interest of the City.

Discussion ensued.

MOTION: **Council Member Thompson moved to accept FY2023 Audit Plan**
SECOND: **Mayor Pro Tem Dawkins**
VOTE: **UNANIMOUS (3-0)**

7. **Adjournment**

Mr. Ron O'Brien moved to adjourn meeting at 3:53 PM.

_____

Mr. Ron O'Brien, Chair

ATTEST:

_____

Paula Handberry, Executive Assistant to the City Council

OFFICE OF INTERNAL AUDIT

April 27, 2023

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 is 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.

Please provide us with any questions or ideas for improving this report to enhance your ability to monitor the effective implementation of recommendations.

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

Respectfully,
Rose Rasmussen
Internal Audit Director

Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2022-2023 (3rd Quarter)

				Recommendations		
	Date Released	Issued	Accepted	Implemented	Partially Implemented	Not Implemented
Contract Practices and Procedures A2016-06	October 2017	3	3	3	0	0
Performances Measures A2018-04	January 2019	4	4	4	0	0
PRM Nonresident Fees A2016-05	January 2019	7	7	7	0	0
Code Violation Enforcement and Collections A2019-06	August 2019	7	7	7	0	0
Residential Solid Waste Fees A2019-04	October 2019	5	5	1	3	1
Police Payroll A2020-01	August 2020					
Police Department		14	14	14	0	0
Finance Department		4	4	4	0	0
Accounts Payable Timeliness A2020-02	January 2021	5	5	5	0	0
Wireless Communication Usage A2021-02	August 2021	7	6	6	0	0
Vector Fleet Contract A2020-04	November 2021	3	3	2	0	1
Fire Kronos Implementation A2022-01	January 2022	4	4	2	2	0
Subrecipient Grant Monitoring A2022-04	August 2022	8	8	4	4	0
Procurement Card A2022-03	January 2023	1	1	0	0	1

*This Report does not include the Permitting and Inspections Follow-up Audit.

KEY	**Not Implemented**	**Partially Implemented**	**Implemented**	**Past Implementation Date**
	Recommendation	**Management Response**	**Management Follow-up Response – April 27, 2023**	**Management Follow-up Response – January 26, 2023**

A2019-04 Residential Solid Waste Fees

Status of Recommendations on January 26, 2023:			
Implemented	Partially Implemented	Not Implemented	Total
1	3	1	5
*This report reflects responses for the 4 outstanding recommendations.			

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;	Management will seek council direction regarding level/scope of solid waste services. Full implementation of 'Recommendation #1' is contingent upon continuation of the 'existing' level/scope of services within solid waste division with no significant additions such as service to multi-family units or commercial facilities. **Responsible Party:** Public Services Director **Implementation Date:** Management will seek Council support in the format of a preliminary work session presentation by April 30, 2020 and follow up ordinance updates by September 30, 2020 contingent upon continuation of the 'existing' level/scope of services within the solid waste division.	**Partially Implemented** Council Adopted the Solid Waste Ordinance on January 27, 2023. **Additional Next Steps:** • Adjusted timeline to fit the goal of **implementing the new ordinance for July 1, 2023**, to include education. (Education will extend beyond July 1, 2023.) • Working with MarComm to create a plan for educating residents. For example: • Meet with all the neighborhood watch groups • Reach out to churches and assemblies • Use SW PIS and Corporate Communications for • Social media,	**Partially Implemented** The Solid Waste ordinance, with new service limits, was approved by Council on January 9, 2023. SW will present the SW fee schedule in the February general session, which is needed to accompany the new ordinance. **Additional Next Steps:** • A final review of the new ordinance changes and updates with CAO to ensure all modifications are consistent throughout the ordinance. • Adjust timeline to fit the goal of implementation of the new ordinance for July 1, 2023 to include education. (Education will extend beyond July 1, 2023.

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023
A2019-04 Residential Solid Waste Fees				
			• Flyers/Mailers, and other forms of education, etc. • Create processes/tools for RAPID SWCE to educate and enforce the new limits in the ordinance. The "Know what right looks like" messaging efforts will. 1. Create awareness through education on the exceptional services provided by the City of Fayetteville Solid Waste. 2. Create a call to action of compliance with the updated Solid Waste ordinance.	• Work with MarComm to create a plan for educating residents. For example: · Meet with all the neighborhood watch groups · Reach out to churches and assemblies · Use SW PIS and Corporate Communications for · Social media, · Flyers/Mailers, and other forms of education, etc. • Create processes/tools for RAPID SWCE to educate and enforce the new limits in the ordinance.
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. Any updates to the City Code of Ordinances should ensure compliance with North Carolina	Management will seek council direction regarding level/scope of solid waste services. Full implementation of 'Recommendation #1' is contingent upon continuation of the 'existing' level/scope of services within solid waste division with no significant additions such as service to multi-family units or commercial facilities.	**Partially Implemented** See response for 1.1	**Partially Implemented** See response for 1.1

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023
A2019-04 Residential Solid Waste Fees				
	General Statutes.	**Responsible Party:** Public Services Director **Implementation Date:** Management will seek Council support in the format of a preliminary work session presentation by April 30, 2020 and follow up ordinance updates by September 30, 2020 contingent upon continuation of the 'existing' level/scope of services within the solid waste division.		
2.2	Develop a process to add, activate and inactivate addresses in Fleetmind as needed to maintain current, accurate, valid data.	Management concurs with the need to develop a process to add, activate and inactivate addresses in Fleetmind to maintain a current, accurate, and valid data base. However, this process is contingent upon the outcomes of 'Recommendation #1'. Further, full implementation of these processes involves compliance and cooperation from entities outside the direct control and influence of the Solid Waste Division such as CoF's Planning Division, Cumberland	**Partially Implemented** Although some Fleetmind upgrades are complete, the Fleetmind system is not consistent. SW will complete an RFP for the Fleet-onboarding system before the end of FY23. Routesmart street data is outdated and will be updated in FY24.	**Partially Implemented** Although some Fleetmind upgrades are complete, the Fleetmind system is not consistent. SW will complete an RFP for the Fleet-onboarding system before the end of FY23. **Partially Implemented** Upon completing "Recommendation 1," SW will vet the onboarding data to align

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023
A2019-04 Residential Solid Waste Fees				
		County and FleetMind Vendor. Implementation dates provided below are for those activities that are within the direct control and influence of the Solid Waste Division as well as what can be accomplished within Council appropriated budgetary limits. **Responsible Party:** Public Services Director **Implementation Date:** Public Services Solid Waste Division will develop a process to add, activate and inactivate addresses in Fleetmind to maintain a current, accurate, and valid data base by June 30, 2022 contingent upon management responses.	**Partially Implemented** Upon completing "Recommendation 1" and updating Routesmart, SW will vet the onboarding data to align with any necessary ordinance revisions.	with any necessary ordinance revisions.
2.3	Develop comprehensive written policies and procedures to maintain Fleetmind data integrity, once the processes are established.	Management concurs with the need to develop comprehensive written policies and procedures to maintain Fleetmind data integrity. However, this process is contingent upon the outcomes of 'Recommendation #1". Further, full implementation of these processes involves compliance and	**Not Implemented** Solid Waste Management will begin writing policies and procedures to maintain data integrity for Fleetmind and Routesmart once the Solid Waste Ordinance is updated.	**Not Implemented** Solid Waste Management will begin writing policies and procedures to maintain data integrity for Fleetmind once the Solid Waste Ordinance is updated.

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023
A2019-04 Residential Solid Waste Fees				
		cooperation from entities outside the direct control and influence of the Solid Waste Division such as CoF's Planning Division, Cumberland County and FleetMind Vendor. Implementation dates provided below are for those activities that are within the direct control and influence of the Solid Waste Division as well as what can be accomplished within Council appropriated budgetary limits. **Responsible Party:** Public Services Director **Implementation Date:** Public Services Solid Waste Division will develop comprehensive written policies and procedures to maintain Fleetmind data integrity by June 30, 2022 contingent upon management responses.		

KEY	**Not Implemented**	**Partially Implemented**	**Implemented**	**Past Implementation Date**
	Recommendation	**Management Response**	**Management Follow-up Response – April 27, 2023**	**Management Follow-up Response – January 26, 2023**

A2021-02 Wireless Communication Usage Audit

Status of Recommendations on January 26, 2023:			
Implemented	Partially Implemented	Not Implemented	Total
2	0	4	6
*This report reflects responses for the 4 outstanding recommendations.			

1.1	Establish written guidelines that outline user department requirements for oversight and accountability. These guidelines should include but not limited to: • Identify clear delineation of responsibilities related to the City's wireless communication function within the Information Technology Department and applicable departmental personnel; • Monthly review of invoices for billing irregularity, overage charges, and zero and underutilized usage with actionable follow-up; • Documenting the business need for devices that must remain active regardless of usage; • Documenting management exceptions to City-wide	IT provided oral communication to departments regarding expectation for the monthly review of invoices. This finding is due to no management oversight by departments. In order to fully implement this recommendation, we need to centralize management of all wireless/mobile devices, which would require one FTE to manage the entire fleet of assets. Full implementation is contingent upon approval of FTE and support/collaboration from departments. **Responsible Party:** Chief Information Officer **Implementation Date:** 12/31/2022	**Implemented w/o FTE** A standard operation procedure has been written establishing guidelines to meet the recommendation. Ongoing responsibility has been distributed to each respective department. Departments are responsible for the ongoing maintenance of their Verizon account and completing a monthly checklist maintained by IT. IT will facilitate the process and meet with departments every six months.	**Not Implemented** FTE position was not approved in fiscal year 2022-2023. IT will continue to provide oral communication to departments for monthly review of invoices and account. IT has created a draft SOP that includes guidelines that outline user department requirements for oversight and accountability. The target released and implementation of the SOP by 3/31/2023.

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023
A2021-02 Wireless Communication Usage Audit				
	standards for device distribution; • Timelines and reasons for the suspension and deactivation of cellular service plans; and • Utilizing Verizon Wireless hotspots in lieu of activating cellular service on multiple devices.			
2.1	Complete and document a full inventory of all active devices to ensure existence.	Centralized inventory tracking of wireless/mobile devices will be tracked via Verizon's database. One dedicated FTE to manage the entire fleet of mobile devices coupled with support/collaboration from departments is key to fulfilling the stated recommendations. The current inventory process will be documented and revised to accomplish items 1, 2 & 5. Full implementation is contingent upon approval of hiring one FTE as well as support/collaboration from departments. **Responsible Party:** Chief Information Officer	**Implemented w/o FTE** Ongoing responsibility has been distributed to each respective department. Departments are responsible for the ongoing maintenance of their Verizon account and completing a monthly checklist maintained by IT. IT will facilitate the process and meet with departments every six months.	**Not Implemented** FTE position was not approved in fiscal year 2022-2023. This is the responsibility of the department administrators. Centralized inventory tracking of wireless/mobile devices is tracked via Verizon's database. Departments are responsible for ensuring their devices are suspended and/or reassigned with the current username. This process will be documented in the SOP which will require the departments to review their accounts monthly.

Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2022-2023 (3rd Quarter)

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023
A2021-02 Wireless Communication Usage Audit				
		Implementation Date: 12/31/2022		
2.2	Establish a centralized inventory of all devices and track all information necessary for devices to be traced to an individual, a piece of equipment, or a specific location, to include the individual responsible.	Centralized inventory tracking of wireless/mobile devices will be tracked via Verizon's database. One dedicated FTE to manage the entire fleet of mobile devices coupled with support/collaboration from departments is key to fulfilling the stated recommendations. The current inventory process will be documented and revised to accomplish items 1, 2 & 5. Full implementation is contingent upon approval of hiring one FTE as well as support/collaboration from departments. **Responsible Party:** Chief Information Officer **Implementation Date:** 12/31/2022	**Implemented w/o FTE** Ongoing responsibility has been distributed to each respective department. Departments are responsible for the ongoing maintenance of their Verizon account and completing a monthly checklist maintained by IT. IT will facilitate the process and meet with departments every six months.	**Not Implemented** FTE position was not approved in fiscal year 2022-2023. This is the responsibility of the department administrators. Centralized inventory tracking of wireless/mobile devices is tracked via Verizon's database. Departments are responsible for ensuring their devices are suspended and/or reassigned with the current username. This process will be documented in the SOP which will require the departments to review their accounts monthly.
2.5	Establish written guidelines requiring a periodic departmental inventory for device existence.	Centralized inventory tracking of wireless/mobile devices will be tracked via Verizon's database. One dedicated FTE to manage the entire fleet of mobile devices coupled with support/collaboration from the departments is key to fulfilling the	**Implemented w/o FTE** Centralized inventory will continue to be tracked via the Verizon database. Departments are required to validate inventory by completing and	**Not Implemented** FTE position was not approved in fiscal year 2022-2023. This is the responsibility of the department administrators. This process will be documented in

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KEY	**Not Implemented**	**Partially Implemented**	**Implemented**	**Past Implementation Date**
	Recommendation	**Management Response**	**Management Follow-up Response – April 27, 2023**	**Management Follow-up Response – January 26, 2023**
A2021-02 Wireless Communication Usage Audit				
		stated recommendations. The current inventory process will be documented and revised to accomplish items 1, 2 & 5. Full implementation is contingent upon approval of hiring one FTE as well as support/collaboration from departments. **Responsible Party:** Chief Information Officer **Implementation Date:** 12/31/2022	submitting the Wireless Monthly Review Checklist.	the SOP which will require the departments to review their accounts monthly.

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023

A2020-04 Vector Fleet Contract Audit

Status of Recommendations on January 26, 2023:			
Implemented	Partially Implemented	Not Implemented	Total
2	0	1	3
*This report reflects responses for the 1 outstanding recommendation.			

1.3	Establish a Fleet Maintenance Committee comprised of representatives from various City departments that utilize fleet services. A Committee chair, preferably a manager from the City Manager's Office, should lead the group. The Committee's purpose should be to address fleet-related issues, such as developing fleet policies and procedures, and resolving fleet service-related issues. The Fleet Manager's role should be to staff the Committee and bring topics and analysis to the Committee for discussion.	a. Management believes establishing a "Fleet Committee" could be valuable and provide some desired clarity in accountability, areas of responsibility, establishment of agreed Standard Operating Procedures (SOP's) and process improvements. The resulting recommendations will be either implemented or submitted to the City Manager's Office for consideration(s). b. Management will establish a weekly scheduled meeting with the Fleet Management and Maintenance Staff: Fleet Manager will facilitate this meeting. In addition management will schedule a monthly meeting with the full Fleet Committee, facilitated by a Staff member from the City Manager's Office.	**Not Implemented** Currently there are meetings with Fleet and the individual departments on a bi-weekly basis. The City hired a permanent Fleet Manager 7/25/2022. Fleet has established a Centralized Fleet Maintenance Policy as a baseline for moving forward. Work on establishing the Fleet Maintenance Committee will begin after baseline data analysis sets are identified.	**Not Implemented** Currently there are meetings with Fleet and the individual departments on a bi-weekly basis. The City hired a permanent Fleet Manager 7/25/2022. Fleet has established a Centralized Fleet Maintenance Policy as a baseline for moving forward. Work on establishing the Fleet Maintenance Committee will begin after baseline data analysis sets are identified.

Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2022-2023 (3rd Quarter)

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023
A2020-04 Vector Fleet Contract Audit				
		Responsible Party: Chief Financial Officer or his/her Designee **Implementation Date:** a. January 31, 2022 – Seek City Manager's Office approval to establish committee and select facilitator and members. b. February 28, 2022 – Conduct kick-off meeting		

KEY	**Not Implemented**	**Partially Implemented**	**Implemented**	**Past Implementation Date**
	Recommendation	**Management Response**	**Management Follow-up Response – April 27, 2023**	**Management Follow-up Response – January 26, 2023**
A2022-01 Fire Kronos Implementation Audit				

Status of Recommendations on January 26, 2023:			
Implemented	Partially Implemented	Not Implemented	Total
2	2	0	4
*This report reflects responses for the 2 outstanding recommendations.			

1.1	Work with the Human Resource Development Department and the City Attorney's Office and establish written payroll policies.	Now that the transition is nearly complete, the department can codify its practices, aligned with the functionality of the new systems. The department has been made aware of a pending upgrade to the Kronos and Telestaff software platforms that necessitates delay of implementing any new policies until system changes are known. In the interim, the department has requested review of its payroll practices by a third party consultant. The department plans to have its new processes defined by policy no later than June 30, 2022. **Responsible Party:** Deputy Chief of Human Resources **Implementation Date:** June 30, 2022	**Partially Implemented** A written draft of the process under the current system has been completed. The department is still relegated to waiting upon the system upgrades to be completed before codifying into policy. The department has not received any feedback from the third party consultant at the time of this report. No payroll related issues were noted during the third party review. Latest update indicates Kronos upgrade tentatively planned for November 2022. Integration of department's staffing program, time keeping program and payroll system was	**Partially Implemented** A written draft of the process under the current system has been completed. The department is still relegated to waiting upon the system upgrades to be completed before codifying into policy. The department has not received any feedback from the third party consultant at the time of this report. No payroll related issues were noted during the third party review. Latest update indicates Kronos upgrade tentatively planned for November 2022.

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	**Management Response**	**Management Follow-up Response – April 27, 2023**	**Management Follow-up Response – January 26, 2023**
A2022-01 Fire Kronos Implementation Audit				
			initiated in March 2023 but many errors have been presented without an identified resolution. These issues have to be resolved before written guidance can be finalized and codified. It is still a work in progress.	
1.2	Update and maintain documented payroll procedures to align with current payroll processes. The procedures should be sufficient for alternate employees to process departmental payroll.	Now that the transition is nearly complete, the department can codify its practices, aligned with the functionality of the new systems. The department has been made aware of a pending upgrade to the Kronos and Telestaff software platforms that necessitates delay of implementing any new policies until system changes are known. In the interim, the department has requested review of its payroll practices by a third party consultant. The department plans to have its new processes defined by policy no later than June 30, 2022. **Responsible Party:** Deputy Chief of Human Resources	**Partially Implemented** A written draft of the process under the current system has been completed. The department is still relegated to waiting upon the system upgrades to be completed before codifying into policy. The department has not received any feedback from the third party consultant at the time of this report. Adequate guidance in included in the draft document to effectuate bi-weekly payroll. Latest update indicates Kronos upgrade tentatively planned for November 2022.	**Partially Implemented** A written draft of the process under the current system has been completed. The department is still relegated to waiting upon the system upgrades to be completed before codifying into policy. The department has not received any feedback from the third party consultant at the time of this report. Adequate guidance in included in the draft document to effectuate bi-weekly payroll. Latest update indicates Kronos upgrade tentatively planned for November 2022.

Office of Internal Audit
Quarterly Management Implementation Status Report
Fiscal Year 2022-2023 (3rd Quarter)

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023
A2022-01 Fire Kronos Implementation Audit				
		Implementation Date: June 30, 2022	Integration of department's staffing program, time keeping program and payroll system was initiated in March 2023 but many errors have been presented without an identified resolution. These issues have to be resolved before written guidance can be finalized and codified. It is still a work in progress.	

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023

A2022-04 Subrecipient Grant Monitoring Audit				

Status of Recommendations on January 26, 2023:			
Implemented	Partially Implemented	Not Implemented	Total
4	4	0	8
*This report reflects responses for the 4 outstanding recommendations.			

1.1	With guidance from the City Attorney's Office, update the agreement templates with the required provisions and identifying subaward information to comply with all federal, state, and City requirements.	On July 14, 2021 the Department contracted with Civitas, LLC for on call technical assistance to ensure compliance with the Code of Federal Regulations (CFR) that pertains to all Housing and Urban Development (HUD) grant entitlements under the purview of the Economic and Community Development Department (ECD). **Responsible Party:** Director of Economic and Community Development, Economic and Community Development Assistant Director, and Business Manager **Implementation Date:** 07/01/2022	**Partially Implemented:** Subrecipient agreement template has been updated using the suggested template from HUD including required provisions and identifying subaward information to comply with all federal, state, and City requirements. Updated agreement will be implemented July 1, 2023.	**Partially Implemented:** Subrecipient agreement template has been updated using the suggested template from HUD including required provisions and identifying subaward information to comply with all federal, state, and City requirements. Updated agreement will be implemented July 1, 2023.
2.1	Use the risk assessment to create a risk based monitoring schedule for each program year. For each subrecipient, the schedule should include, but not be limited to:	The ECD uses a risk assessment annually as part of its application process for subrecipients. However, the risk assessment does not impact the frequency and depth of our annual monitoring of subrecipients.	**Partially Implemented:** ECD will continue to use a risk assessment annually to determine which subrecipients will receive funding. In	**Partially Implemented:** ECD will continue to use a risk assessment annually to determine which subrecipients will receive funding. In

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023
A2022-04 Subrecipient Grant Monitoring Audit				
	• The frequency of monitoring; and • The extent of the monitoring to include if it will be on-site or virtual.	ECD will continue to monitor all subrecipients in-depth and on an annual basis at approximately the sixth month of the year-long agreements. For new subrecipients, the Department provides onsite technical training on the front-end of the contract. **Responsible Party:** Director of Economic and Community Development, Economic and Community Development Assistant Director, and Business Manager **Implementation Date:** 07/01/2022	addition, a monitoring risk assessment tool has been created that will be an exhibit to the subrecipient contract and identify the frequency and depth of monitoring required for the subrecipient. This new monitoring risk assessment will be implemented July 1, 2023.	addition, a monitoring risk assessment tool has been created that will be an exhibit to the subrecipient contract and identify the frequency and depth of monitoring required for the subrecipient. This new monitoring risk assessment will be implemented July 1, 2023.
2.2	Create and implement written procedures on subrecipient monitoring to include, but not limited to: • Documentation requirements; • Determining if costs were an eligible use of funds and in accordance with contract terms; • Checking for suspension and debarment of subrecipients and	On August 23, 2021 the Department contracted with Urban Design Ventures, LLC to develop a program-wide standard operating procedure that includes guidance on subrecipient monitoring. This standard operating procedure will be implemented by December of 2022. **Responsible Party:** Director of Economic and Community Development, Economic and	**Partially Implemented:** The implementation of the standard operating procedure manual is nearly complete. The final document has been prepared and is out for printing and binding. Staff will be trained continuously on how to use the document as a resource.	**Partially Implemented:** The implementation of the standard operating procedure manual is behind schedule, but being finalized at this time with an expected completion date of February, 2023.

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023

A2022-04 Subrecipient Grant Monitoring Audit				
	contractors of the subrecipients; • Determining if conflict of interests existed with contractors of the subrecipients, and • Conducting an inventory of property purchased using grant funds.	Community Development Assistant Director, and Business Manager **Implementation Date:** 12/31/2022		
3.1	The Economic & Community Development Department management should establish written procedures to have agreements ready to be fully executed once funds are appropriated by City Council.	Management is in agreement with the recommendation, but there are circumstances that could affect its implementation which have to be resolved. This deficiency is attributable to three causes: 1) Nearly full turnover of staff, 2) Influx of work due to COVID recovery funding, and 3) delays in "loading" the budget in the financial system due to a misunderstanding of 24 CFR Part 570.200(h). The Department will monitor agreements to ensure that they will be executed within the month of July annually and will work with Finance to ensure funds are made available in a timely manner.	**Partially Implemented:** ECD's standard operating procedures manual is nearly complete. The final document has been prepared and is out for printing and binding. Staff will be trained continuously on how to use the document as a resource. An updated subrecipient agreement template will be implemented July 1, 2023. Managers will prepare their agreements and route for signatures in July.	**Partially Implemented:** ECD's standard operating procedures manual will be completed by February 2023. An updated subrecipient agreement template will be implemented July 1, 2023. Managers will prepare their agreements and route for signatures in July.

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023
A2022-04 Subrecipient Grant Monitoring Audit				

		Responsible Party: Director of Economic and Community Development, Economic and Community Development Assistant Director, and Business Manager **Implementation Date:** 08/01/2022		

KEY	Not Implemented	Partially Implemented	Implemented	Past Implementation Date
	Recommendation	Management Response	Management Follow-up Response – April 27, 2023	Management Follow-up Response – January 26, 2023

A2022-03 Procurement Card

Status of Recommendations on January 26, 2023:			
Implemented	Partially Implemented	Not Implemented	Total
0	0	1	1
*This report reflects responses for the 1 outstanding recommendation.			

1	Finance Department management should update Policy #312 along with corresponding training materials and include but not limit the update to: • Use of the Oracle online purchasing platform; • Restrictions on use of personal online shopping accounts; • Restrictions on shipping to home addresses; • Requirements and definition of business purpose with examples provided; • Documentation requirements and restrictions for food purchases; • Current business processes, i.e. changes due to Oracle HUB implementation; and • A formal process for card and transaction limit increase requests.	Management concurs with the recommendation. Policy #312 and training materials will be updated and distributed to City Pcard holders. Policy #312 needs updated to reflect the current Oracle business processes to include documentation requirements and business purpose. Policy #312 will also be updated to include restrictions on personal shopping accounts, shipping to home addresses, and limitations on food purchases. Management will establish a formal process for credit limit increase requests. **Responsible Party:** Chief Financial Officer or designee **Implementation Date:** July 1, 2023	**Not Implemented** Staff are working on updating Policy #312 as noted as well as training materials for distribution to card holders. Staff are also working on a formal process to request credit limit increases. Implementation is expected to occur on or before July 1, 2023.	Not Applicable – Audit report presented at January 26, 2023 Audit Committee Meeting.

City of Fayetteville, NC
Audit Committee Charter

Committee Purpose

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

Responsibilities

The Audit Committee will carry out the following responsibilities:

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

Composition

The audit committee will consist of eight members: three City Council members and two members of the business community with experience in the finance industry will be the voting members of the Audit Committee. The City Manager, one member from the Fayetteville Public Works Commission and the Internal Audit Director shall be ex-officio non-voting members of the Audit Committee.

Meetings

The audit committee will meet at least four times a year (quarterly), with authority to convene additional meetings, as circumstances require. All committee members are

expected to attend each meeting. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

Effective date

This charter became effective on November 9, 2020 and revises the charter approved on December 8, 2015.

Approved date

This charter was originally approved on September 14, 2015.

CITY OF FAYETTEVILLE, NC
AUDIT COMMITTEE CHARTER

Revision approved this _____ day of _____, _____.

_____
Mitch Colvin, Mayor

_____
Douglas J. Hewett, City Manager

_____
Rose Rasmussen, Internal Audit Director

City of Fayetteville
AUDIT COMMITTEE
Fayetteville, North Carolina

By-Laws

_____

ARTICLE I

PURPOSE

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

The responsibilities of the Audit Committee shall be:

a) Review and reassess the adequacy of this Charter at least every two years, with any revision submitted to the City Council for approval.

b) Provide an avenue of communication among the City Council, city management, internal audit, and the independent auditors.

c) Ensure the City's internal control systems are in place and implemented, including information technology security and control.

d) Ensure City management implements internal audit report recommendations.

e) Approve the annual audit plan <mark>and all major changes to the plan</mark>.

f) Review the internal audit charter, activities, staffing, and organizational structure of the internal audit function with the City Manager and the Internal Audit Director and recommend any changes to the City Council.

g) Submit an Annual Report of Audit Committee actions and recommendations to the City Council.

h) Recommend to the City Council the selection of the independent auditors.

i) Continually evaluate the independence of the independent auditors.

j) Review the City's CAFR, management letter and management's response and forward findings to the City Council.

ARTICLE II

MEMBERSHIP

SECTION 1. The City Council of the City of Fayetteville shall appoint three City Council members and two members of the business community to be voting members of the Audit Committee. The Fayetteville Public Works Commission member, City Manager and Internal Audit Director shall be an ex-officio non-voting member of the Audit Committee.

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

ARTICLE III

OFFICERS

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

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

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

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

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

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

ARTICLE IV

RESIGNATIONS

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

ARTICLE V

QUORUM

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

ARTICLE VI

MEETINGS

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

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

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

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

ARTICLE VII

AMENDMENTS

SECTION 1. These bylaws are subject to change by the Committee, with subsequent approval by the City Council.

Office of Internal Audit

Compliance Follow-up #2 (A2018-01F2)
Evidence and Property Management

April 2023

Internal Audit Director
Rose Rasmussen

Internal Auditor
Christina Zimmerman

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OUR MISSION

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

Internal Audit Director
Rose Rasmussen

Internal Auditor
Christina Zimmerman

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<div align="center">

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Date: April 27, 2023

To: Kemberle Braden, Chief of Police

From: Rose Rasmussen, Internal Audit Director

Cc: Audit Committee
            Douglas J. Hewett, City Manager

Re: Evidence and Property Management Follow-up Audit #2 (A2018-01F2)
            Originally Issued June 26, 2018
            Follow-up Issued April 22, 2021

Based on direction from the Audit Committee, the Office of Internal Audit completed the second follow-up on the Evidence and Property Management Audit Report approved by the Audit Committee on April 22, 2021 (originally approved on June 26, 2018).

Objective and Scope

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

The scope of the audit follow-up was limited to 20 recommendations still in progress for implementation or not tested during the last follow-up due to COVID-19 precautions. This included observations, interviews with personnel and review of documents and electronic files, to include property and evidence received or disposed of by the Property Room from July 1, 2021 to December 31, 2022.

Background

The original audit report, dated June 26, 2018, had 29 agreed upon recommendations. At the conclusion of the initial follow-up audit, dated April 22, 2021, Internal Audit determined the status of the recommendations to be the following:

Status of Recommendations:					
Implemented	Partially Implemented	Not Implemented	Unable to Implement	Not Agreed Upon	Unable to Determine
6	9	6	2	1	5

The original reports can be found through the Office of Internal Audit website at:
https://www.fayettevillenc.gov/city-services/city-manager-s-office/internal-audit/internal-audit-reports

Summary Results

Overall, substantial progress was made related to the audit recommendations with 7 of 20 recommendations fully implemented and 9 progressing toward full resolution. The Police Department updated Operating Procedure 6.2 General Property Management effective November 10, 2021 and Operating Procedure 6.8 Currency Handling Procedures effective August 8, 2022 to clarify personnel's responsibilities and documentation requirements, remove outdated language and include required RMS description fields. In addition, Internal Audit noted improved documentation and retention of descriptions within RMS, stolen firearm checks and proof of entry into the Recovered Gun File. Furthermore, a review of sampled items determined the time between the items being seized and turned into the Property Room was an average of approximately 3 hours.

After Internal Audit's review, the Department made additional updates to Operating Procedures 6.2 which included a tickler file process and establishing how debit, credit, gift or EBT cards and check or money orders should be stored and classified. The updated procedures were not final at the time of this report.

Internal Audit will continue to recommend the Police Department strengthen processes and controls in the following areas:

- For all audits and inventories a sample should be selected from all areas and types of property.
- Update Operating Procedure 6.4 FPD Property Receipt Guidelines to clarify when officers should provide property receipts and ensure the policy is followed.
- Provide refresher training on updated procedures.
- Establish a process to reconcile the currency amounts in RMS, the bank and Oracle HUB.
- Continue evaluating storage locations and seeking opportunities to make meaningful additions of security cameras.
- Require an independent witness to validate the destruction of drugs.
- Require quality reviews for court orders to ensure the destruction or disposal of all items has been approved by the appropriate authority.
- Develop a quality review process for the RMS Property and evidence Voucher Module to ensure all property and evidence has been submitted to the Property Room.
- Distribute auction proceeds to the Cumberland County Board of Education within 30 days after the sale as required by North Carolina General Statute.

Conclusion
The Office of Internal Audit has concluded the Evidence and Property Management follow-up and expresses appreciation for the efforts demonstrated by departmental management which resulted in a significant number of recommendations either being fully implemented or progressing toward full resolution.

Appendix A:

DEPARTMENT: Police
AUDIT: Evidence and Property Management Compliance Follow-up Audit
ORIGINALLY ISSUED: June 26, 2018
FIRST FOLLOW-UP ISSUED: April 22, 2021

The Office of Internal Audit has completed the follow-up #2 on the Police Department's Evidence and Property Management Compliance Audit Report approved by the Audit Committee on June 26, 2018. Internal Audit's objective was to determine whether management implemented corrective actions to the audit recommendations reported by the Office of Internal Audit.

Results (20)

IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	UNABLE TO IMPLEMENT	NOT AGREED UPON	UNABLE TO DETERMINE
7	9	3	0	0	1

Finding #	Summary of Original Recommendation Dated June 26, 2018	Implementation Disposition:	
		Status as of February 26, 2021	**Current Observations**
1. The Fayetteville Police Department was not always in compliance with applicable procedures and North Carolina General Statutes.			
1.1	Ensure compliance with operating procedures, specifically confirming the *annual audit* includes all areas where property and evidence are maintained, to include the Forensic Evidence Unit storage lockers and drying room. (*Safeguarding*)	*NOT IMPLEMENTED* An annual audit of property and evidence was conducted in August/September 2020 by sampling only high risk items (jewelry, firearms, currency and narcotics) recorded in the Property and Evidence RMS module. However, the annual audit did not include a significant representative sampling of all property as required by operating procedures. Based on Internal Audit inquiry, the intent of the annual audit is for items maintained by the property and evidence unit and recorded within RMS. Therefore, this would exclude the temporary forensic areas. OP Chapter 6: Evidence, and the departmental operating	*PARTIALLY IMPLEMENTED* Updated Operating Procedure 6.2 still required a "significant representative sampling of all property to include high-risk". Although, the annual audit conducted in May 2022 included the forensic shelves and areas where high risk items (jewelry, firearms, currency and narcotics) were maintained, the audit did not include all areas where property and evidence were maintained. Based on Internal Audit inquiry, there has been a turnover in staff and they will be directed to follow the policy.

		procedures within the chapter that are associated with forensic evidence will need to be updated to reflect audit requirements for the temporary forensic areas.	
1.3	Ensure compliance with operating procedures, to include confirming a special audit for ALL types of property and evidence is conducted when there is a transition of personnel in and out of the Property and Evidence Unit. (*Safeguarding*)	*NOT IMPLEMENTED* Property and evidence items sampled in the special audit conducted in July 2019 were only high risk (jewelry, firearms, currency and narcotics). This observation is consistent with the original audit, all types of property and evidence were not included in the special audit as required by operating procedures.	*NOT IMPLEMENTED* Operating Procedure 6.2 was updated to remove the requirement to include general property in the special audit. However, the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA) standards state that the sample of general property "should be sufficient to ensure the integrity of the system and accountability of the property." The special audit conducted in October 2022 was consistent with the last two observations made by Internal Audit and only included high-risk items (jewelry, firearms, currency and narcotics). Based on Internal Audit inquiry, the Department will update Operating Procedure 6.2 to include all property.
1.4	Ensure compliance with operating procedures, to include defining the circumstances when property receipts are required, the personnel responsible to maintain them and ensure they are issued accordingly. (*Compliance*)	*PARTIALLY IMPLEMENTED* Operating procedures continue to remain inconsistent when a property receipt is required. Based on Internal Audit inquiry, meaningful movement towards amending operating procedures 6.02 had been performed but were not finalized and released to Department personnel for implementation.	*PARTIALLY IMPLEMENTED* Updated Operating Procedure 6.2 referred officers to Operating Procedure 6.4 FPD Property Receipt Guidelines. Although, Operating Procedure 6.4 was not updated, circumstances when property receipts were required and where they should be maintained were included.

| | | | However, no property receipts were provided for the property sample selected.

Receipts could be used to mitigate the Department's risk which could arise over disputes about the items seized. Therefore, Internal Audit recommends the Department update Operating Procedure 6.4 and ensure officers follow the policy.

After Internal Audit's review the Department stated training for Operating Procedure 6.4 is being completed for staff. |
|---|---|---|---|
| 1.5 | Combined under Finding #5.1 | | |
| 1.6 | Stolen firearm checks should be generated for ALL firearms to determine if they have been reported stolen, as required by operating procedures. *(Compliance)* | ***UNABLE TO DETERMINE STATUS***

On-site fieldwork to review documentation was required to validate implementation related to this recommendation. Due to the COVID-19 restrictions, Internal Audit could not perform on-site fieldwork.

Although Internal Audit was unable to validate implementation, the Department understands the importance of this recommendation. This procedure requires the Department to return the firearm to the rightful owner as soon as legally possible. | ***IMPLEMENTED***

Updated Operating Procedure 6.2 still required the officer to run a stolen firearm check and attach a copy to the evidence voucher.

Internal Audit tested a sample of firearms and determined the Department requested and maintained stolen firearm checks. |
| 1.7 | Documentation should be maintained showing the firearm was entered in the Recovered Gun File, as required by operating procedures. *(Compliance)* | ***UNABLE TO DETERMINE STATUS***

On-site fieldwork to review documentation was required to validate implementation related to this recommendation. Due to the COVID-19 restrictions, Internal Audit could not perform on-site fieldwork. | ***IMPLEMENTED***

When the owner of firearm was unknown, the updated Operating Procedure 6.2 still required the officer to have the firearm entered into the Recovered Gun File and attach a copy to the evidence voucher. |

		Although Internal Audit was unable to validate implementation, the Department understands the importance of this recommendation. This procedure requires the Department to register qualified weapons with the State to allow for the return of the firearm to the rightful owner as soon as legally possible.	Internal Audit tested a sample of firearms with unknown owners and determined the Department entered the firearms into the Recovered Gun file and maintained proper documentation.
1.8	Review the training given to officers/detectives on property and evidence processing, educate on the impact of property and evidence not processed correctly and provide refresher training to all applicable Department personnel. *(Compliance)*	***NOT IMPLEMENTED*** Based on Internal Audit inquiry, training was not developed and provided to officers/detectives but will be required upon finalizing the operating procedures.	***PARTIALLY IMPLEMENTED*** The current versions of Operating Procedure 6.2 and 6.4 were pushed to employees through PowerDMS, a policy management and training software. Internal Audit determined Department employees signed off showing they had read both policies. Based on Internal Audit inquiry, new officers were provided on-the-job training on property and evidence processing procedures by their Field Training Officers. However, refresher training was not provided for other Department personnel.
2. The data maintained within the Record Management System (RMS) was unreliable.			
2.1	Conduct a full and complete inventory of all currency to determine the amount being maintained in the Property and Evidence Unit, to include counterfeit and foreign currency, and update RMS records accordingly. (*Safeguarding*)	***PARTIALLY IMPLEMENTED*** Based on Internal Audit inquiry, significant efforts towards completing a 100% inventory of all currency had been performed by drafting a currency handling policy and establishing the necessary accounts for depositing all relevant currency into a financial institution instead of maintaining the currency in the Property and Evidence Unit. Once the currency handling policy is finalized, a full and complete currency inventory will be	***PARTIALLY IMPLEMENTED*** The Department is in the process of transferring money to the bank. According to the Department, this time-consuming process takes approximately half a day to transfer a portion of funds each time and requires an appointment with the bank due to staffing. Working within these constraints, the Department has made significant progress and will continue to coordinate with the bank to transfer the remainder of the funds.

		conducted when moving the currency into the financial institution.	Upon completion of transferring funds to the bank, the Department will have inventoried all the currency.
			Internal Audit reviewed several months of cash in the Department's Record Management System (RMS), bank statements and the City's financial reporting system (Oracle). A sample of discrepancies in amounts deposited at the bank compared to the amounts recorded in RMS were discussed with the Department. The Department provided North Carolina Department of Revenue receipts or notes in RMS for all but 5 of the deposits. These 5 deposits totaled $13.20 more than what was in RMS.
			Internal Audit recommends management establish a process to reconcile the amounts in RMS to the amounts deposited in the bank with the amounts in Oracle. Any discrepancies noted should be entered into the RMS system immediately following the reconciliation.
2.2	Amend Operating Procedure 6.2 to provide clear guidance consisting of defining database fields and use of coding for all types of property and evidence in RMS; to include how debit, credit, gift or EBT cards and check or money orders should be classified and stored. *(Compliance)*	***NOT IMPLEMENTED*** Although draft operating procedure 6.02 General Evidence and Property Management addresses the initial entry of all items should be accurate and identify required information, it did not address incomplete and inconsistent coding within RMS. Additionally, class code and category code were not required fields based on the draft policy.	***PARTIALLY IMPLEMENTED*** Operating Procedure 6.2 was updated with the information that should be entered in RMS. However, the updated procedures did not include how debit, credit, gift or EBT cards and check or money orders should be classified and stored. After Internal Audit's review, the Department updated Operating Procedures 6.2 to clarify the classification and storage of these items. At the

		Based on Internal Audit inquiry, coding within RMS is extensive and not realistic to include within operating procedures. However, to ensure coding is consistent and complete the Department will develop and provide training upon completion of the updated operating procedure to enforce these expectations.	time of this report these updated procedures had not been finalized.
2.3	Review the property and evidence items converted from Visionaire RMS to ONESolution RMS to determine if disposing is an option, and update missing and inconsistent information upon disposal. *(Information Systems RMS)*	***UNABLE TO DETERMINE STATUS*** Based on Internal Audit review of reports provided, the Department did not dispose of items impacted from the Visionaire RMS conversion during January 1, 2020 to December 31, 2020.	***UNABLE TO DETERMINE STATUS*** Based on Internal Audit's review of reports provided, the Department did not dispose of items impacted from the Visionaire RMS conversion during January 1, 2020 to December 31, 2020.
3. Internal controls need strengthened			
3.2	Implement formal written procedures for software user account management to include developing a process to periodically review the access list and identify authorized users of RMS and specify access rights. *(Compliance)*	***NOT IMPLEMENTED*** Based on Internal Audit inquiry, the Department does not have departmental procedures and follows the City's IT Access Control Policy #604. The City's policy applies to all City users with access to the City's IT Network, to include software. It also defines user access rights and requires documented approval for access to the CoF network. However, the City's policy does not provide a process for the Police Department to manage user access, specify user access rights and review access periodically to ensure only authorized users have access.	***NOT IMPLEMENTED*** Based on Internal Audit inquiry, the Department did not have formal written procedures that address RMS account management. The Department should establish written departmental procedures to ensure employees only have the access necessary to do their job and access is periodically reviewed to ensure only authorized users have access.
5. Procedures were not always clear and consistent with current processes.			

| 1.5, 5.1 and 5.2 | Ensure compliance with operating procedures, to include documenting complete and accurate descriptions of property and evidence and completing the database fields required within RMS. (1.5)

Specific requirements should be listed in the operating procedures to ensure sufficient and consistent descriptions are documented for all property and evidence. (5.1)

Clear realistic expectations of personnel's responsibilities to ensure the accuracy of the description, type, and amount of property should be clarified in the operating procedures.(5.2)
(Compliance) | *NOT IMPLEMENTED*

Controls could not be updated within RMS to require complete descriptions. Based on Internal Audit review, property and evidence descriptions continued to be recorded in RMS inconsistently and were incomplete.

Draft operating procedure 6.02 General Evidence and Property Management addresses that the initial entry of all items should be accurate and identify required information, to include a complete item description (color, make, model, and caliber if applicable).

However, the draft operating procedure did not provide the user the understanding that items should be described in a manner that enables the reader to visualize the item without physically examining, to include ensuring the items could not be substituted.

Based on Internal Audit inquiry, the Department will develop and provide training upon completion of the updated operating procedures, this training will enforce the expectations related to documenting property and evidence descriptions for completeness and consistency. | *IMPLEMENTED*

Updated Operating Procedure 6.2 lists fields to include, if applicable, and now states that the descriptions "should be thorough, precise and in such a manner that the reader should be able to visualize the item without physically examining the item."

Internal Audit reviewed descriptions of property and evidence within RMS and determined the descriptions being entered had improved. The original audit reported 46% of the firearms did not have the make, model, serial number and caliber recorded. A review of fields completed for firearms after the policy update showed a reduction to 19%. The narcotics quantity field went from 6% incomplete to 1%. Although improvement was noted, the Department should continue educating employees on the importance of complete and consistent documenting within RMS and further improving in this area. A specific area of improvement is jewelry which should not include vague generic descriptions.

In addition, Operating Procedure 6.2 was updated to provide clear realistic expectations of personnel's responsibilities to ensure the accuracy of the description, type, and amount of property. The packaging used to contain the items may prohibit the Property Room staff from seeing the item being submitted, and the operating procedure now stated that Property Room staff ensure RMS entries are accurate to the best of their ability. |

5.2	Combined under Finding #5.1		
5.3 and 5.4	Improve operating procedures by addressing how the weight of narcotic evidence is to be determined and the requirements for determining the weight if the narcotic evidence does not go to a laboratory. Update operating procedures on the process change of using laboratories other than SBI. **(Compliance)**	***PARTIALLY IMPLEMENTED*** Draft operating procedure 6.02 General Evidence and Property Management was amended to add "final" and now reads "the *final* weight of all narcotic evidence sent to the SBI for analysis is to be determined by the SBI Laboratory chemist." Based on Internal Audit inquiry, if the narcotic evidence is not sent to the SBI Laboratory the "count" required by the officer of all narcotics as outlined in the draft operating procedure will be used. Additionally, feedback from the Department acknowledged that only the SBI Laboratory is used for narcotics or determining the weight of narcotics. Although meaningful movement towards amending operating procedures related to this recommendation had been performed, the Department had not finalized and released to Department personnel for implementation.	***IMPLEMENTED*** Updated Operating Procedure 6.2 required the submitting officer's measurement or count to be the official weight of record if the items did not go to the SBI Laboratory or a third party lab.
5.4	Combined under Finding #5.3		
5.5	Improve operating procedures by clarifying what types of property and evidence can be opened to include the persons allowed to open each specific type of property and evidence. **(Compliance)**	***PARTIALLY IMPLEMENTED*** Draft operating procedure 6.02 General Evidence and Property Management was amended to read "packages of property/evidence shall only be opened by authorized persons and shall be documented by the investigating officer/case agent."	***IMPLEMENTED*** Updated Operating Procedure 6.2 stated that property and evidence should only be opened by authorized persons. The Department also provided Operating Procedures 6.3 Forensic Unit Evidence Management which included guidance on persons who could open evidence.

		Although meaningful movement towards amending operating procedures to bring clarity related to this recommendation had been performed, they had not finalized and released to Department personnel for implementation.	
5.6	Review and update operating procedures for areas impacted when ONESolution RMS was implemented. *(Compliance)*	***PARTIALLY IMPLEMENTED*** Draft operating procedure 6.02 General Evidence and Property Management was amended to remove outdated forms no longer being utilized due to the implementation of ONESolution RMS. Although meaningful movement towards amending operating procedures by removing references to outdated forms had been performed, they had not finalized and released to Department personnel for implementation.	***IMPLEMENTED*** Updated Operating Procedure 6.2 included requirements for RMS entry and no longer referenced Evidence Cards.
6. Potential safety concerns may exist in the Property and Evidence Unit			
6	Review and update the operating procedure as deemed applicable to ensure Department personnel understand the importance of the guidelines related to biohazard labeling and appropriate storage of food and liquid beverages. *(Compliance)*	***PARTIALLY IMPLEMENTED*** Draft operating procedure 6.02 General Evidence and Property Management was amended to provide clarity to "perishable items" and the circumstances that may require such storage. However, for items related to biological evidence the operating procedure referred the reader to operating procedure 6.7 Forensic Unit Evidence Collection procedures, management should ensure the draft operating procedure refers the reader to the applicable operating procedure related to biohazard labeling.	***PARTIALLY IMPLEMENTED*** Updated Operating Procedures 6.2 provided clarity on storage of perishable items and why these items should be stored this way. However, for items related to biological evidence neither Operating Procedure 6.2 nor 6.7 addressed biohazard labeling. To ensure the proper storage and handling of property and evidence and for the protection of staff, specific guidance on biohazard labeling should be provided. After Internal Audit's review, the Department updated Operating Procedure 6.2 to provide

		Although meaningful movement towards amending operating procedures related to biohazard labeling and appropriate storage of perishable items had been performed, they had not finalized and released to Department personnel for implementation.	guidance on biohazard labeling. At the time of this report these updated procedures had not been finalized.	

7. Security over property and evidence could be improved

7.2	Install and utilize working cameras to provide surveillance in all areas where property and evidence are stored. (*Safeguarding*)	***PARTIALLY IMPLEMENTED*** Internal Audit observed four working cameras within the property and evidence unit. However, the angles of the cameras did not capture areas being utilized to store property and evidence. Based on Internal Audit inquiry, the Department intends to enhance the use of the current cameras and expand the number of cameras for improved security controls within the property and evidence unit.	***PARTIALLY IMPLEMENTED*** The Department added one additional camera since the previous audit. However, the cameras did not capture all areas being utilized to store property and evidence. Although the Department has improved security with the addition of cameras, Internal Audit recommends the Department continue evaluating storage locations and seeking opportunities to make meaningful additions of security cameras.

8. Property and evidence was not always submitted to the Property and Evidence Unit timely

8	Determine if delays in time between when the property and evidence was seized and turned over to the Property and Evidence Unit's custody appear reasonable and appropriate, and if appropriate, ensure the process is sufficient to safeguard the items and ensure the integrity of the chain of custody is maintained. (*Safeguarding*)	***UNABLE TO DETERMINE STATUS*** On-site fieldwork to review documentation was required to validate implementation related to this recommendation. Due to the COVID-19 restrictions, Internal Audit could not perform on-site fieldwork.	***IMPLEMENTED*** Operating Procedure 6.2 stated under no circumstances should the officers hold any items beyond the end of their shift. Based on Internal Audit's review, the average time between when the sampled items were seized and turned into the Property Room was approximately 3 hours. No sampled items appeared to have been held beyond the end of the officer's shift.

9. Controls could be strengthened for the disposal of narcotic property and evidence.

9	Incorporate IAPE Standards 9.6 through 9.8 related to the	***PARTIALLY IMPLEMENTED***	***PARTIALLY IMPLEMENTED***

destruction of drugs in the processes utilized by the Department, to include updating written operating procedures based on the management approved process. *(Compliance)*	Based on Internal Audit inquiry, the Department is unable to implement IAPE Standard 9.6 – Storage Pending Destruction due to lack of space. However, narcotics related to disposals remain secured and separated from active narcotic evidence. The draft operating procedure identifies witnesses and requires an accurate record of narcotic destruction as identified in IAPE 9.7 – Destruction Documentation and IAPE 9.8 – Destruction Method. However, the draft operating procedure only addresses the destruction of found property and not evidence related to narcotics. Additionally, an independent witness outside the property unit to validate that all items were destroyed is not required. Although the draft operating procedure states "an accurate record of the destruction" is required, it is recommended to expand the documentation requirements.	IAPE Standard 9.6 stated drugs pending destruction should always be stored in a designated area that has an enhanced level of security in the property room. Based on Internal Audit's inspection, the Department created a staging location for narcotics evidence pending destruction which had the same enhanced level of security as other high risk items. IAPE Standard 9.7 required detailed documentation on the destruction of drugs to include personnel involved and an independent witness to validate the destruction. Updated Operating Procedure 6.2 included requirements for documentation on the destruction of all property and included specific guidance on the destruction of narcotics. Although the Department was executing disposals in compliance with updated Operating Procedure 6.2, Internal Audit recommends incorporating IAPE Standard 9.7 guidance on requiring an independent witness as an additional control. IAPE Standard 9.8 required all drugs destroyed and witnessed in a manner that will totally consume and prevent future use of the items. Updated Operating Procedure 6.2 required the drugs be incinerated.
10. Quality reviews were not conducted for the Property and Evidence Unit		

| 10 | All aspects of property and evidence should undergo a review process by a supervisor or higher to ensure accurate information is recorded during the intake process; items are securely stored; items are processed correctly for disposal; and issues can be addressed in a timely manner. (*Safeguarding*) | *UNABLE TO DETERMINE STATUS*

On-site fieldwork to ensure quality reviews were conducted and effective was required to validate implementation related to this recommendation. Due to the COVID-19 restrictions, Internal Audit could not perform on-site fieldwork. | *NOT IMPLEMENTED*

Quality reviews aid in ensuring adequacy, accuracy, completeness and effectiveness. A quality review has the potential to catch mistakes and correct them before court orders are moved through the approval process and items are disposed of or destroyed.

However, the Department did not have a formal quality review process in place for court orders. Instead, the Department accepts the District Attorney's approval and the signature from the Judge as assurance of accuracy.

In addition, the Department did not have a formal quality review process to ensure the correct items were disposed or destroyed.

Internal Audit recommends the Department implement a formal quality review process for court orders before they are submitted, and a subsequent review of the evidence pulled for disposal or destruction based on each court order.

Furthermore, a quality review process for the Property and Evidence Voucher Module within RMS was not developed. The officer/detective inputs the property and evidence items into the Voucher Module. Once the items are submitted to the Property Room, the Evidence Technicians transfer the items from the Voucher Module into the Property and Evidence Module. Internal Audit requested a report of all items in the Voucher |

			Module with an add date after July 1, 2021, and there were 29,316 items in the module with these parameters. This Voucher Module should be reviewed to ensure all items were submitted to the Property Room.
11. Operating procedures for disposals lacked necessary internal controls, needed clarity to ensure compliance and required updating for consistency with the North Carolina General Statutes			
11.1 – 11.6	Create or amend operating procedures addressing matter related to disposals observed during the audit. Emphasis should be placed on the classifications of property, methods of disposal, and procedures for disposition. *(Compliance)*	*PARTIALLY IMPLEMENTED* Although the draft operating procedures addressed several of the recommendation related to disposals, not all recommendations were identified in the draft operating procedure. It is suggested for management to review the recommendations and update the draft operating procedure before finalizing. Based on Internal Audit inquiry, meaningful movement towards amending operating procedures had been performed related to disposal of property but were not finalized and released to Department personnel for implementation.	*PARTIALLY IMPLEMENTED* Updated Operating Procedures 6.2 and 6.8 addressed part of the recommendations. To strengthen security around disposal and destruction of property, Internal Audit still recommends the Department update operating procedures to include: the process on obtaining proper authorization for final disposition; reconciliation of computerized data to paperwork for release and destruction, when applicable; the type of identification required for release to claimant and what documentation should be recorded for the identification verification; what should be documented showing the serial number was verified; guidelines for disposal of narcotics including packaging and preparation for disposal; and use of qualified/approved biological/biohazardous disposal vendors. In addition, none of the operating procedures provided stated that fingerprints should be maintained by the Forensic Unit or how to maintain the evidence. Furthermore, 7 out of 11 payments to the City from auction proceeds were not disbursed to

			the Cumberland County School Board within 30 days of the sale as required by North Carolina General Statutes.
			After Internal Audit's review, the Department updated Operating Procedure 6.2 to include a process for a tickler system which will be reviewed during the monthly inspection to check on the status of evidence checked out of the Property Room. At the time of this report these updated procedures had not been finalized.

Appendix B:

DEPARTMENT: Police
AUDIT: Evidence and Property Management Compliance Follow-up Audit
ORIGINALLY ISSUED: June 26, 2018
FIRST FOLLOW-UP ISSUED: April 22, 2021

Internal Audit conducted no further work on these recommendations based on the status as of the April 22, 2021 Audit Report.

Results

IMPLEMENTED	*UNABLE TO IMPLEMENT*	*NOT AGREED UPON*
6	2	1

Finding #	Summary of Original Recommendation Dated June 26, 2018	Observation from the April 22, 2021 Audit Report	Implementation Disposition:		
			Initial Implementation Date	Reported Implementation Date	Status as of February 26, 2021
1. The Fayetteville Police Department was not always in compliance with applicable procedures and North Carolina General Statutes.					
1.2	Ensure compliance with operating procedures, to include confirming documentation representing management review of audits and inspections of the Property and Evidence Unit was being maintained to ensure management was aware of potential issues. (**Safeguarding**)	The annual audit of property and evidence dated September 9, 2020 was acknowledged by appropriate management on September 22, 2020. Additionally, the change of command evidence audit (special audit) dated July 29, 2019 was acknowledged by appropriate management on August 1, 2019.	*03/10/2019*	*01/23/2020*	*IMPLEMENTED*
2. The data maintained within the Record Management System (RMS) was unreliable.					
2.4	For all other items required to be maintained, determine if the costs of using resources to "clean up" the data in ONESolution RMS for property and evidence outweigh	The Department determined the costs to "clean up" the data would exceed $100,000 and funding was not available. Due to the cost	*03/10/2019*	*Not implemented (Due to Cost)*	*UNABLE TO IMPLEMENT*

	the risk of missing and inconsistent data. *(Information Systems RMS)*	no further action was taken to "clean up" the data.			
3. Internal controls need strengthened					
3.1	Consider having RMS Administration supervised by the Information Technology Department to alleviate the current conflict of interest and allow personnel to supervise this position with knowledge of the need for segregation of duties, access controls and security over RMS. *(Information Systems RMS)*	Management did not concur; therefore, the recommendation was not implemented.	*Management did not concur*	*Management did not concur*	*DEPARTMENT DID NOT CONCUR*
3.3	Determine if RMS can be updated to assign the PR# after the record has been saved. If not, determine if a process can be implemented which would allow approval and tracking when a record is canceled after the PR# has been assigned. *(Information Systems RMS)*	Based on Internal Audit inquiry, the RMS software cannot be updated to ensure the control numbers (PR#) are consecutive and a full population exists. Therefore, the Department cannot rely upon the RMS software to accurately track and account for all property and evidence received. Additionally, a process to allow for tracking all PR#'s not identified within the RMS software would be time intensive and could not be relied upon for completeness. However, the Department acknowledged the importance of effective physical security controls to ensure property and evidence is accurately tracked. The	*03/10/2019*	*10/24/2019*	*UNABLE TO IMPLEMENT*

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		Department currently has four cameras being utilized (see 7.2) and intends to enhance the use of the current cameras and expand the number of cameras for improved security controls within the property and evidence unit.			
4. Items were not located					
4.1	Continue to research the whereabouts of the two items missing and notify the courts and attorneys as deemed necessary. (*Safeguarding*)	After the original audit was presented to the Audit Committee on June 26, 2018, both items were located and provided to Internal Audit for review.	*03/10/2019*	*08/23/2018*	*IMPLEMENTED*
4.2	Procedures for notifying management, to include Police Attorney, should be established when property and evidence is designated missing. (*Compliance*)	Although formal procedures were not established, notification was made by a memo to management during the special audit conducted in July 2019. It is still recommended for management to formalize the process into written procedures.	*03/10/2019*	*08/23/2018*	*IMPLEMENTED*
4.3	Quarterly audits for high-risk items, cash, firearms, narcotics and jewelry, should be considered until steps can be taken to improve data integrity and reduce the inventory level of property and evidence through the disposal process. (*Safeguarding*)	Based on Internal Audit inquiry, the Department considered performing quarterly audits of high risk items. However, insufficient Departmental staffing levels prevented the quarterly audits from being conducted but the required audits during the year will be spaced in manner to provide bi-annual audits.	*03/10/2019*	*01/23/2020*	*IMPLEMENTED*
7. Security over property and evidence could be improved					
7.1	If currency continues to be maintained in Property and Evidence, consider maintaining	Internal Audit confirmed through payment documentation that a fireproof safe was purchased for	*03/10/2019*	*01/23/2020*	*IMPLEMENTED*

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		the storage of currency. Due to the COVID-19 restrictions, Internal Audit did not observe the safe but a picture of the safe was provided to validate the use for currency.			
the currency in fireproof safes. (*Safeguarding*)					
12. Property and evidence levels have been increasing and without improvements to facilitate evidence disposition; storage space will soon be depleted					
12	Develop and implement a strategic plan to address the increasing levels of property and evidence. (*Safeguarding*)	Based on Internal Audit inquiry, the Departments net intake of property and evidence continued to increase over the last 5 years. However, the average disposal rate improved. The Department expanded and reorganized the property and evidence unit. Additionally, the Department has been working to streamline the disposal process to reduce the levels but has encountered external challenges.	*03/10/2019*	*01/23/2020*	*IMPLEMENTED*

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