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WEEK IN REVIEW:

Mon (June 30)	Tues (July 1)	Wed (July 2)	Thurs (July 3)	Fri (July 4)
		12:00 PM Economic Development & Global Competitiveness Committee, Room CH-14		INDEPENDENCE DAY HOLIDAY

CALENDAR DETAILS:

Wednesday, July 2

12:00 pm Economic Development & Global Competitiveness Committee, Room CH-14
AGENDA: Energy Strategy, Business Investment Grant Program, Out of School Time

Friday, July 4

INDEPENDENCE DAY HOLIDAY

ATTACHED: [July and August calendars](#)

INFORMATION:

Temporary Leadership Changes in the Finance and Budget & Evaluation Departments

Staff Resource: Ron Carlee, City Manager, 704-336-2403, rcarlee@charlottenc.gov

With the retirement of Greg Gaskins on June 30, several temporary departmental leadership changes will occur for the next 2-3 months until the conclusion of the national recruitment process for a new Finance Director. During this period, Randy Harrington will serve as the interim Finance Director.

In Budget & Evaluation, the department's three functional area managers will rotate as interim Budget & Evaluation director. Eric Hershberger (Budget Manager) will serve as interim director during July, Katie McCoy (Evaluation Manager) during August, and Bill Parks (Capital Coordinator) during September.

Internal Audit Report – Authorized Contracts and Payments FY13

Staff Resource: Greg McDowell, Internal Audit, 704-336-8085, gmcowell@charlottenc.gov

Staff has conducted a lengthy audit of FY2013 payments, which has concluded with quite positive results. There were two issues to be resolved, but the overall conclusion of this audit includes the fact that over 99.9% of testing was positive.

The intent of this audit was to evaluate the City's spending with the entities paid the most in FY13, whether related to a new or existing contract, a Council-approved disbursement, electronic transfers, purchase order, procurement card, or direct payment. Staff examined supporting documentation to determine that payments to these entities were valid and that a proper procurement process was followed. In addition, applicable Council or City Manager approved renewals, change orders and amendments were tested. Tests were designed to determine whether:

- The solicitation process was in accordance with the City's procurement policies;
- Payments were in accordance with the original bid estimation or amendment amounts;

- Grant funding agreements were approved and payments were in accordance with grant requirements;
- Contract terms appropriately reflect contractor and subcontractor details, as approved by Council; and
- Land purchases exceeding \$10,000 were Council-approved.

ATTACHED: [Internal audit report for FY13](#)

Internal Audit Report – CATS Fare Evasion Fines

Staff Resource: Greg McDowell, Internal Audit, 704-336-8085, gmcowell@charlottenc.gov

Council’s Governance and Accountability Committee is charged with reviewing all internal reports. Since May 2014, audit reports have also been distributed to all Council members.

Staff completed an audit to determine the reasonableness of the reported loss related to the Fare Evasion Fines Collection Process, as well as to review the new policies and procedures put into place following the embezzlement. CATS requested Internal Audit’s assistance after learning that an employee of an outside contractor embezzled approximately \$50,000 of the City’s Fare Evasion Fines collected. Auditors reviewed the work performed by Central Parking Systems (CPS) staff to establish the amount of loss from its employee’s theft of funds. In addition, auditors reviewed CATS new policies and observed new procedures which had been implemented.

ATTACHED: [CATS fare evasion fines internal audit report](#)

June 27 State Legislative Update

Staff Resource: Dana Fenton, City Manager’s Office, 704-336-2009, dfenton@charlottenc.gov

In an attempt to bring a quicker end to the short session and with the support of Governor McCrory, the House passed a FY 2015 budget bill (SB 3) that provides pay raises for state employees and teachers and enacts budget reductions agreed to by both chambers in the previously passed budget bill (SB 744) that is now in the House-Senate conference process. The Senate did not receive this proposal very warmly. The House completed action on two more regulatory reform measures, Health and Safety Regulatory Reform (SB 493) and Regulatory Reform Act of 2014 (SB 734), and sent them to the Senate. The Senate completed action on the Coal Ash Management Act of 2014 (SB 729) and sent it to the House.

Attached: [Week 7 State Legislative Report](#)

ATTACHMENTS:

[City Council Follow-Up Report](#)

- Mr. Vincent Frisina, Jr. – Storm Water Issues
- Fire Administration Headquarters Construction Update