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**WEEK IN REVIEW:**

**Monday, August 28**

12:00 p.m.  
City Attorney's Evaluation, Room CH-14

4:00 p.m.  
Citizens' Forum/Council Business Mtg., Room 267

**August and September calendars are attached**



Aug-Sept2017.pdf

## UPDATES:

### **2017 Candidate Information Requests**

Staff Resource: Christian Holm, Constituent Services, 704-249-7710, [christian.holm@charlottenc.gov](mailto:christian.holm@charlottenc.gov)

To view candidate information requests, please visit [charlottenc.gov/candidates](http://charlottenc.gov/candidates). To submit a candidate information request, visit <https://charlottenc.seamlessdocs.com/f/Candidates>.

Recently fulfilled candidate requests:

#### **Vi Lyles** (mayoral candidate)

**Request:** “What property tax allowances are provided to senior citizens in Mecklenburg County?”

**View the city’s response** [here](#).

**Request:** Information requested in advance of the Aug. 9 Mayoral Forum.

**View the city’s response** [here](#).

**Request:** Information on city boards and committees.

**View the city’s response** [here](#).

#### **Parker Cains** (at-large candidate)

**Request:** Is Charlotte a “sanctuary city”? What federal funds does Charlotte currently receive? What steps, if any, is the city’s government lobbyist doing to work with both Raleigh and Washington D.C. on this matter?

**View the city’s response on the candidates homepage** [here](#).

### **Charlotte-Mecklenburg Housing and Homelessness Dashboard**

Staff Resources: Pamela Wideman, Housing & Neighborhood Services, 704-336-3488,

[pwideman@charlottenc.gov](mailto:pwideman@charlottenc.gov)

Mary Gaertner, Housing & Neighborhood Services, 704-432-5495, [mgaertner@charlottenc.gov](mailto:mgaertner@charlottenc.gov)

On Monday, August 21, Housing & neighborhood Services (HNS) launched the [Charlotte-Mecklenburg Housing & Homelessness Dashboard](#). The dashboard provides the community access to a one-stop resource for information, data and stories on housing and homelessness in the Charlotte-Mecklenburg region. Initial features include:

- Data on progress to end homelessness
- Stories on emerging issues in housing and homelessness
- A blog that offers local data analysis
- A repository for local, regional and national reports

The dashboard was funded by Mecklenburg County Community Support Services and developed by UNC Charlotte's Urban Institute. Each year the tool will grow - integrating new data on homelessness, housing instability and affordable housing to help the community make data-driven decisions in order to end homelessness and increase affordable housing.

### **Neighborhood Leadership Award Nominee Breakfast**

*Staff Resource: Keith Richardson, Housing & Neighborhood Services, 704-336-2753, [kmrichardson@charlottenc.gov](mailto:kmrichardson@charlottenc.gov)*

Council Members are invited to attend a breakfast with the 2017 Neighborhood Leadership Award nominees, scheduled for Wednesday, September 13 from 7:30 - 9:00 a.m. in Room 267 of Charlotte-Mecklenburg Government Center. The breakfast serves as an opportunity to honor the contributions of this year's nominees and provide a place for them to meet their fellow community stakeholders, Council Member and City staff. The nominees represent multiple neighborhood organizations, nonprofits and businesses that strengthen Charlotte's neighborhoods.

This year, the city received 41 nominations in categories ranging from "good neighbors" to "embracing diversity." The awards will be presented during a luncheon at the [Neighborhood Exchange & Leadership Awards \(NEXLA\)](#) on Saturday, September 23 from 8 a.m. - 2 p.m. at the Charlotte Convention Center. Final award winners will also be recognized at a City Council Business Meeting in the fall. The registration deadline for NEXLA is Monday, September 11. The event will include a morning neighborhood resource fair, remarks by Krista Nightengale of the [Better Block Foundation](#) and breakout discussions on participant inspired ideas for strengthening Charlotte neighborhoods.

### **Solid Waste Services Wins 2017 SWANA Innovation Excellence Award**

*Staff Resource: Victoria O. Johnson, Solid Waste Services, 704-336-3410, [vjohnson@charlottenc.gov](mailto:vjohnson@charlottenc.gov)*

Solid Waste Services (SWS) has been named the winner of the Solid Waste Association of North America (SWANA) Innovation Excellence Award for its [Healthy Communities](#) education program. SWANA made the announcement earlier this week and the award will be presented to SWS at SWANA's annual conference, WASTECON®, on Tuesday, September 26 in Baltimore, Maryland.

Through the lifestyle-based program, SWS makes waste reduction personal by showing residents a direct connection between the environment and their personal health. SWS has reached more than 5,000 people through presentations at schools, neighborhood association meetings, community presentations and community partnerships with nonprofits, government agencies and corporations.

The entry can be found on SWANA's website - <https://swana.org/Awards/Excellence.aspx>.

SWANA's Excellence Awards recognize outstanding solid waste programs and facilities that advance the practice of environmentally and economically sound solid waste management. Programs meeting these criteria share a commitment to the utilization of effective technologies and processes in system design and operations, advancement of worker and community health and safety and implementation of successful public education and outreach programs. Programs must also demonstrate that they are fiscally and environmentally responsible through their compliance with all applicable federal, state and local regulations.

**Internal Audit Report – Cash Collections FY17**

*Staff Resource: Greg McDowell, Internal Audit, 704-336-8085, [gmcowell@charlottenc.gov](mailto:gmcowell@charlottenc.gov)*

The purpose of this audit was to determine whether departments have established effective controls over cash collections and whether city-wide collection activities are adequately monitored. As part of the city’s ongoing cash collection monitoring, Internal Audit performed unannounced audits of cash collections sites throughout the city.

Conclusion – the city’s cash collection policies are strong and departmental compliance is high. The Finance’s Revenue Division has monitored cash collections satisfactorily.

A copy of the final report is attached below.



Cash Collections  
FY17.pdf

# August

| <i>Sun</i> | <i>Mon</i>   | <i>Tue</i> | <i>Wed</i>  | <i>Thu</i>   | <i>Fri</i> | <i>Sat</i> |
|------------|--|------------|---|--|------------|------------|
|            |  | <b>1</b>   | <b>2</b>  | <b>3</b>   | <b>4</b>   | <b>5</b>   |
| <b>6</b>   | <b>7</b>   | <b>8</b>   | <b>9</b>  | <b>10</b>  | <b>11</b>  | <b>12</b>  |
| <b>13</b>  | <b>14</b><br>12:00pm<br>Environment<br>Committee Mtg.,<br>Room 280   | <b>15</b>  | <b>16</b>   | <b>17</b><br>12:00pm<br>ED&GC<br>Committee Mtg.,<br>Room CH-14 | <b>18</b>  | <b>19</b>  |
| <b>20</b>  | <b>21</b>  | <b>22</b>  | <b>23</b><br>12:00pm<br>HAND Committee<br>Mtg., Room CH-14<br><br>1:30pm<br>Governance &<br>Accountability<br>Committee Mtg.,<br>Room 280<br><br>5:30pm<br>MTC Meeting,<br>Room 267 | <b>24</b>  | <b>25</b>  | <b>26</b>  |
| <b>27</b>  | <b>28</b><br>12:00pm<br>City Attorney's<br>Evaluation, Room<br>CH-14<br><br>4:00pm<br>Citizens'<br>Forum/Council<br>Business Mtg.,<br>Room 267 | <b>29</b>  | <b>30</b>   | <b>31</b>  |            |            |
|            |  |            |   |  |            |            |

2017

# September

| <i>Sun</i> | <i>Mon</i>   | <i>Tue</i> | <i>Wed</i>  | <i>Thu</i>  | <i>Fri</i> | <i>Sat</i> |
|------------|--|------------|---|---|------------|------------|
|            |  |            |   |   | 1          | 2          |
| 3          | 4  | 5          | 6   | 7<br>12:00pm<br>Community Safety<br>Committee Mtg.,<br>Room 280 | 8          | 9          |
| 10         | 11<br>12:00pm<br>Environment<br>Committee Mtg.,<br>Room 280<br><br>2:00pm<br>Transportation &<br>Planning<br>Committee Mtg.,<br>Room 280<br><br>5:00pm<br>Council Business<br>Mtg., Room 267   | 12         | 13<br>7:30am<br>Neighborhood<br>Leadership Award<br>Nominees<br>Breakfast, TBD<br><br>12:00pm<br>HAND Committee<br>Mtg., Room 280 | 14<br>12:00pm<br>ED Committee<br>Mtg., Room CH-14               | 15         | 16         |
| 17         | 18<br>12:00pm<br>Council Zoning<br>Briefing (optional),<br>Room 886<br><br>1:00pm<br>Intergovernmental<br>Relations<br>Committee Mtg.,<br>Room 280<br><br>5:00pm<br>Zoning Mtg., Room<br>CH-14 | 19         | 20  | 21  | 22         | 23         |
| 24         | 25<br>12:00pm<br>Governance &<br>Accountability<br>Committee Mtg.,<br>Room 280<br><br>5:00pm<br>Citizens'<br>Forum/Council<br>Business Mtg.,<br>Room 267                                       | 26         | 27<br>12:00pm<br>HAND Committee<br>Mtg., Room 280<br><br>5:30pm<br>MTC Meeting,<br>Room 267                                       | 28<br>12:00pm<br>ED Committee<br>Mtg., Room CH-14               | 29         | 30         |

2017



**CHARLOTTE**<sup>SM</sup>

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**INTERNAL AUDIT**

**Audit Report  
Cash Collections FY17  
August 18, 2017**

**City Auditor's Office  
Gregory L. McDowell, CPA, CIA**

**Audit Report**  
**Cash Collections FY17**  
**August 18, 2017**

**Purpose and Scope**

The purpose of this audit was to determine whether departments have established effective controls over cash collections and whether City-wide collection activities are adequately monitored. To support the maintenance of strong controls, Internal Audit performed unannounced audits of several cash collections sites throughout the City. This report summarizes the findings from those individual efforts.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This report is intended for the use of the City Manager's Office, City Council and all City Departments.

**Conclusion**

The City's cash collection policies are strong and departmental compliance is high. The Finance's Revenue Division has monitored cash collections satisfactorily.

**Summary of Findings**

The following findings are detailed, beginning on page 3:

1. Revenue has effectively monitored cash collection activities.
2. The Charlotte Fire Department identified non-compliance and took appropriate actions to improve controls.
3. Departments should ensure proper recording of check receipt dates.

**Background**

Cash Collection activities are governed by North Carolina General Statute 159-32 and City policy MFS 1 (revised version effective November 28, 2016). MFS 1 policy is administered by the Finance Department and its Revenue Division. The statute and policy require daily deposits and submission of supporting documents approved by a department's Fiscal Control Officer (FCO) or the FCO's designee – to the Revenue Division Central Cashier – that support the amount deposited. The City's Billing,



Collection and Deposit policy (MFS 12) also reinforces the daily deposit of collected funds. The City has 29 cash collections sites with different activity levels. The sites below represent the FY17 collections of cash and checks ranging from \$1 million to \$145.9 million.

|                 |   |
|-----------------|---|
| \$145.9 million | Finance – CMGC  |
| \$76.0 million  | Aviation  |
| \$30.0 million  | Charlotte Water – New Services                          |
| \$13.0 million  | Engineering and Property Management – Land Development  |
| \$11.0 million  | CATS Bus & Light Rail Treasury Room                     |
| \$4.0 million   | Neighborhood & Business Services                        |
| \$3.6 million   | Finance – West Service Center                           |
| \$2.7 million   | Finance – Risk Management Division                      |
| \$2.0 million   | CATS Charlotte Transit Center                           |
| \$1.7 million   | Charlotte Department of Transportation – Administration |
| \$1.5 million   | Fire Department – Fire Prevention                       |
| \$1.2 million   | Finance – Old City Hall                                 |
| \$1.0 million   | Charlotte Mecklenburg Police Department – Property Room |

During a 2013 audit of contractor Central Parking System, a contract employee’s embezzlement of cash funds related to CATS’ fare evasion fine collections was discovered. The City’s external auditor recommended increasing the monitoring of cash collection activities throughout the City to ensure internal controls were properly designed and operating effectively. Internal Audit has supported the improved controls implemented by the Revenue Division, and has conducted several unannounced site visits each year since 2015.

**Summary of Prior Year Actions Taken**

In the prior audit reports (October 2, 2014, August 25, 2015 and August 25, 2016), Internal Audit provided recommendations to improve internal controls over the City’s cash collection activities. The Revenue Division made enhancements that implemented key changes to the cash collection processes, including the following.

- Matrix of collection sites created and regularly evaluated
- Addition of Revenue Compliance Officer position
- Verification of Fiscal Control Officers yearly
- Revision of cash collection policies and procedures
- Institution of Cashier variance policy
- Consolidation of collection sites
- Streamlined collection process with desktop depositing
- Implementation of quarterly review of checks with dates older than 15 days
- Installation of cameras at various locations
- Locked bank bags added for security

### **Audit Findings and Recommendations – 2017**

#### **1. Revenue has effectively monitored cash collection activities.**

During FY17, audit staff visited nine cash collection sites throughout the City. Each was unannounced and the Department Director was notified of the audit as it was in progress. Following each review, auditors prepared a memo that was sent to the Department Director as well as Management & Financial Services detailing observations and any recommended actions. Auditors concluded that the Revenue staff continues to effectively monitor the City's cash collections.

#### **2. The Charlotte Fire Department identified non-compliance and took appropriate actions to improve controls.**

In December 2016, the Charlotte Fire Department (CFD) notified auditors that six checks (ranging from \$1 to \$2,658 and totaling \$4,493) were not deposited according to policy. The checks had been received between August and December 2016. The employee responsible for processing deposits had set aside – and then misplaced – the checks while awaiting additional documentation. The checks were found and deposited in January 2017.

**Actions Taken:** Charlotte Fire Department deposited the checks and new procedures were implemented to reduce the possibility of non-compliance in the future. Auditors re-visited the site to verify that the new procedures were in place and working appropriately. The new procedures are listed below:

- Mail is opened by an employee in the CFD Finance Division
- Checks are date stamped and logged into a shared database
- Checks are given to an employee in Fire Prevention by 3:00 pm daily
- Checks are deposited daily between 3:00 and 4:00 pm
- The shared database is updated with deposit information

In addition, permits and renewals fees for CFD are now processed by Revenue. On July 1, 2017, Accounts Receivable started processing state-mandated fees for the department, reducing the number of checks received in-house.

#### **3. Departments should ensure proper recording of check receipt dates.**

Daily collections of cash, checks, money orders and credit card payments are required to be deposited within 24 hours of receipt per City policy and NC General Statute 159.

Collection sites receive checks that may be dated several days prior to deposit date. Check dating is controlled by the sender and older dates do not necessarily indicate slow processing by City employees. Revenue staff conducts quarterly reviews of

checks deposited and inquire with collection sites when the check date is 15 or more days prior to the deposit date. No issues with check receipt dates were noted during the unannounced audits.

Revenue has advised collections sites to document the date that checks are received, to provide documentation that older checks were not held within the departments. Collection sites can either date stamp checks or keep a log to verify deposits were made within 24 hours of receipt. During FY17, Revenue reviewed 2,535 checks for timely processing and verification of receipt date. Five collection sites had 100 (4%) checks with dates older than 15 days that were not date stamped or logged in. A summary of the collection sites are listed below:

| <b>Collection Sites</b>   | <b>Number of Checks Reviewed</b> | <b>Non Date-Stamped or Logged Checks</b> |
|---|----------------------------------|--|
| Charlotte Water-New Services  | 1,376                            | 82                                       |
| Fire Admin/Prevention   | 497                              | 8  |
| Cemeteries  | 151                              | 4  |
| Charlotte Water-Temp Hydrant  | 84                               | 2  |
| Charlotte Water-Installation & Development Services Fees              | 81                               | 4  |
| Risk, Animal Control, Charlotte Water-Environmental Services Facility | 346                              | 0  |
| <b>Total</b>  | <b>2,535</b>                     | <b>100</b>                               |

Revenue inquired with the Fiscal Control Officers (FCOs) of these departments. The departments acknowledged that they were aware of the requirement to log or date stamp the checks.

**Recommendation:** Revenue should continue to monitor check receipt dates and reiterate the importance of timely deposits to Department Directors and FCOs.

**Management & Financial Services Response:** Revenue will send an email to all FCOs and Department Heads advising that date stamping or logging checks when received is recommended as a best practice. Revenue will include Department Heads, Internal Audit and FCOs in notifications of check issues such as timely processing when discovered during routine monitoring of collections.