



# Taxation, Revenue, and Utilization of Expenditures (TRUE) Commission

Dr. Keshan Hargrove, Chair

## TRUE COMMISSION AUDIT COMMITTEE Meeting Minutes

August 3, 2023

3:30 p.m.

Don Davis Room, 1<sup>st</sup> floor, City Hall

**Attendance:** Commissioners Charles Barr, Velma Rounsville

**Also:** Jeff Clements – City Council Research; Tommy Carter – Council Auditor’s Office

The meeting was convened at 3:30 p.m. by Commissioner Barr and the attendees introduced themselves for the record.

Tommy Carter presented and discussed recent Council Auditor’s Office audits/reports issued since the last TRUE Commission meeting.

#869: Public Works Construction-Related Vendors Audit (issued 06/06/23)

Overall, the construction contracts appeared to be properly procured pursuant to the Procurement Code and were properly authorized and paid, but there were several issues identified: 1) lack of Public Works standard operating procedures for this type of purchase; 2) requested change orders were paid before being approved; 3) some issues were noted with the calculation of bid amounts; and 4) retainage fees weren’t being tracked in the financial management system. The audit noted that the City repaves a very small percentage of its roads each year and it would take 80 years for all road miles in the city to be repaved at the current average rate. The Public Works Department agreed with all the recommendations. Chairman Barr questioned when the discrepancy on JSEBs would be rectified. Mr. Carter said that a follow-up to the audit would be conducted in a year or two.

#763C: Follow-up on JTA Payroll Audit (issued 06/07/23)

All outstanding issues remaining from the previous follow-up were rectified and the audit is now closed.

#870: Public Works Department - Public Buildings Division - Security Guard Contract Audit (issued 06/14/23)

Overall payments were properly calculated, approved and paid. Identified issues included inadequate documentation of changes in billing rates and security guards working in excess of hours permitted in a 24- or 48-hour period without written approval.

#871: Procurement Audit - Informal Purchase of Supplies (issued 06/26/23)

The informal process applies to purchases of less than \$65,000. The audit was done because the City recently instituted a new informal procurement process. Overall the procurements were generally done in compliance with the procurement process but there were several issues identified: 1) various issues with the Procurement Manual including unwritten, incomplete, and outdated policies and procedures; 2)

requisitions could bypass the Procurement Division and therefore purchase orders created without following proper processes; 3) system access issues; 4) gaps in procurement data (e.g., requisition numbers); 5) exempt records not properly protected. Commissioner Rounsville said it appears to her that the City departments lack a great deal of oversight over operations since the Council Auditor audits so frequently find weaknesses and issues in that area that need correcting.

Commissioner Barr asked about how often audits are done on various offices and if there are findings that appear from audit to audit. Mr. Carter said that audits are performed based there are.

The meeting was adjourned at 3:55 p.m.

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