



## Honorable Mayor Mitch Colvin and Members of the City Council:

City of Fayetteville  
433 Hay Street  
Fayetteville, NC 28301

### **RE: Fiscal Year Ending June 30, 2025, Annual Report of the Audit Committee**

Dear Mayor Colvin and City Council Members:

I am pleased to submit the Annual Report of actions and recommendations for the Audit Committee for fiscal year 2025 in accordance with the guidelines set forth in the City of Fayetteville, NC Audit Committee Charter.

The FY25 Audit Committee of the City of Fayetteville consists of eight members:

Voting Members	Non-Voting Members
Chair, Council Member D.J. Haire	Commissioner Christopher G. Davis, PWC Chair
Vice Chair, Mayor Pro Tem Derrick Thompson	Douglas Hewett, City Manager
Council Member Deno Hondros	Rose Rasmussen, Internal Audit Director
Dr. Mfon Akpan, Methodist University	
Ms. Michelle Sykes, External Auditor	

One outgoing member, Dr. Mfon Akpan, formerly a Professor at Methodist University was a crucial part of the committee during the fiscal year. Dr. Akpan graciously served the full allowed term of four years on the Audit Committee, serving 2 years as the Vice Chair. Dr. Akpan provided professional insight on completed audits and consistent support of Internal Audit staff. He made many valuable contributions and the Audit Committee remains thankful for his dedicated service.

The Audit Committee, established by a charter approved by City Council in September 2015, serves as an advisory committee with a primary purpose to assist City Council in fulfilling its oversight responsibilities for the overall stewardship of the City's financial affairs.

The Audit Committee assisted the City Council by:

- Providing an avenue of communication among the City Council, City management, internal audit and the independent auditors.
- Ensuring the City's internal control systems are in place and implemented, including information technology security and control.
- Ensuring City management implements internal audit report recommendations.
- Approving the annual audit plan.
- Reviewing 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.
- Submitting and Annual Report of Audit Committee actions and recommendations to City Council.
- Recommending to the City Council the selection of the independent auditors.
- Continually evaluating the independence of the independent auditors.
- Reviewing the City's Annual Comprehensive Financial Report, management letter and

management's response and forward findings to the City Council.

## Highlights from 2025

The Audit Committee met four times over fiscal year 2025.

We received and reviewed the Comprehensive Annual Financial Report for the Fiscal Year ending June 30, 2024 from the independent auditors PBMares LLP.

We received and reviewed the Fiscal Year 2025 Internal Audit annual work plan for the fiscal year ended June 30, 2025.

We reviewed internal audit reports as they were released and were briefed on all pending and completed audit assignments by Internal Audit employees and, if applicable, department representatives.

Audit Titles	Status as of 6/30/2025
Police Kronos Implementation Follow-up	Report Issued and Accepted
Economic & Community Development Loans - Neighborly	Report Issued and Accepted
Citywide Grants	Report Issued and Accepted
Republic Downtown Parking Contract	Report Issued
Police Department Confidential Funds	Report Issued

We reviewed the progress of quarterly follow-up activities and discussed the action plan related to outstanding audit issues.

## Looking Forward

Based on the FY2026 Internal Audit annual work plan, we anticipate receiving and accepting six new audits and one follow-up audit for fiscal year 2026.

Audit Titles	Status as of 1/12/2026
Residential Solid Waste Fees Follow-up	Report Issued
Solid Waste Management	Report Issued
Fire Emergency Response	Audit In Progress
Transit Fixed Route Operations	Not Started
Police Department Traffic Unit	Not Started
Information Technology Asset Management	Not Started
Police Department Confidential Funds	Not Started

The Audit Committee members wish to express our appreciation to City staff that support our efforts and keep us informed of events and issues in the City. We look forward to continuing to serve the interests of the City of Fayetteville in the coming year.

Respectfully,

Audit Committee Chair