



# Audit Committee

*Annual Report to City Council  
January 12, 2026*



GOAL V: The City of Fayetteville will be a financially sound city providing exemplary city services.



# Voting Members



Chair, Council Member  
Dr. D.J. Haire



Vice Chair Mayor Pro Tem  
Derrick Thompson



Council Member  
Deno Hondros



Outgoing Vice Chair,  
Dr. Mfon Akpan



Michelle Sykes



# Outgoing Member



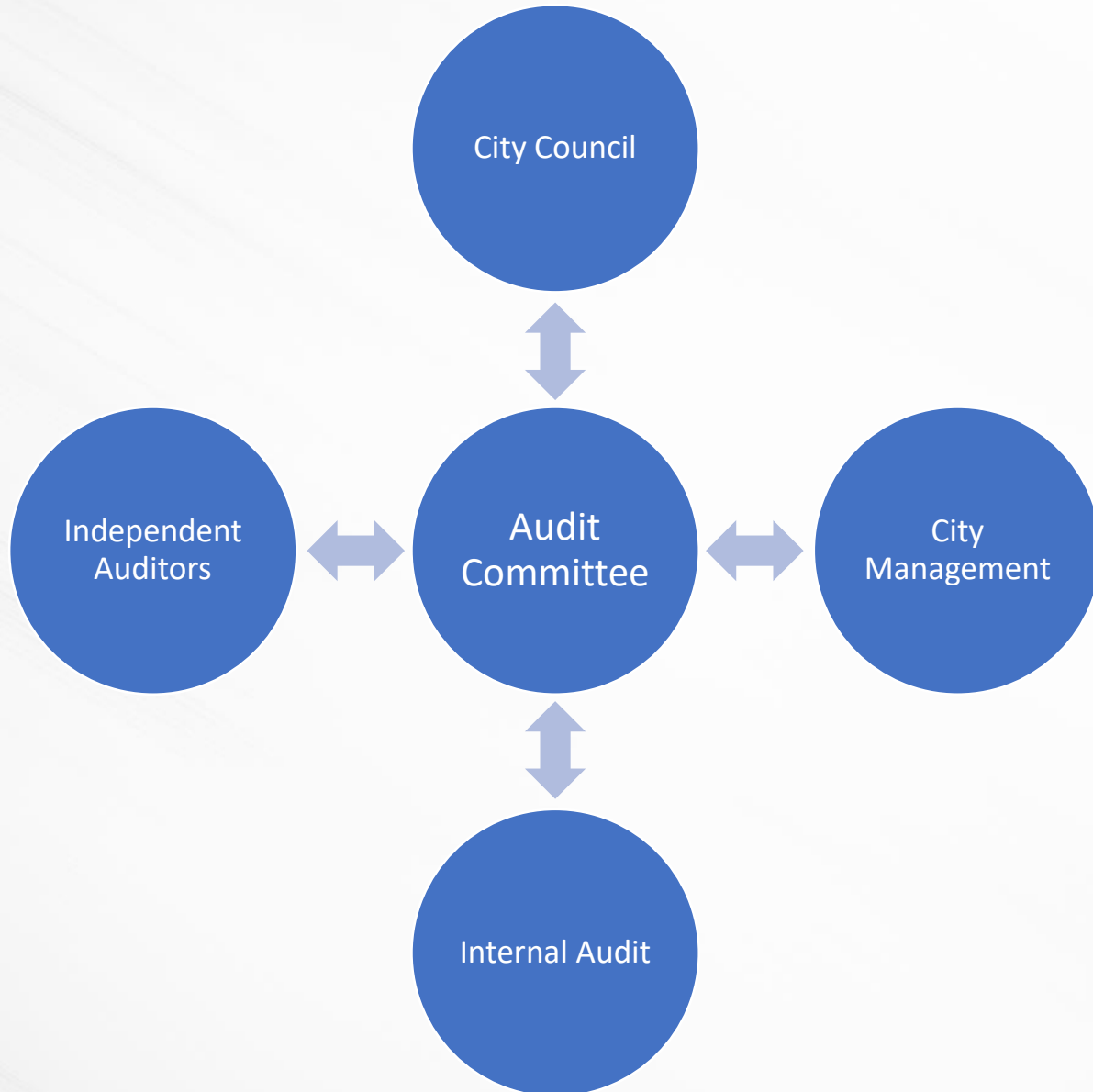
## City of Fayetteville, NC Audit Committee Charter

### 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.



Established  
in 2015



November 2, 2024

City Council  
City of Fayetteville, North Carolina

Attention: Honorable Mayor and Members of the City Council

We are pleased to present this report related to our audit of the basic financial statements of City of Fayetteville, North Carolina (the City of Fayetteville) as of and for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City of Fayetteville's financial reporting process.

This report is intended solely for the information and use of the City Council and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the City of Fayetteville.

*PBMares, LLP*

PBMares, LLP





POLICE KRON  
FOLLOW-UP (C  
ISSUED OCTOBER 20

## ANNUAL AUDIT PLAN

FISCAL YEAR 2025



Office of Internal Audit



Economic & Community Development  
Loans – Neighborly (A2025-05)

ISSUED JANUARY 2025

Office of Internal Audit



POLICE DEPARTMENT CONFIDENTIAL  
FUNDS

ISSUED AUGUST 2025

Office of Internal Audit

Office of Internal Audit

Office of Internal Audit  
 Quarterly Management Implementation Status Report  
 Fiscal Year 2024-2025 (3rd Quarter)



Recommendations							
Audit Title	Date Released	Issued	Accepted	Not Started	In Progress	Implemented	Overdue
A2025-05 Economic & Community Development Loans - Neighborly: ECD Department	January 2025	8	8	0	0	8	0
A2025-05 Economic & Community Development Loans - Neighborly: Finance Department	January 2025	2	2	0	0	2	0

**RECOMMENDATION 1.2**

If possible, utilize the Neighborly software to:

- a. Create inspection monitoring tasks for each HOME loan to ensure that these items are completed when needed on a consistent basis.
- b. Notify ECD staff of the necessary documentation to show property standards and HUD requirements are met.

**MANAGEMENT RESPONSE**

We concur. Management is in full agreement with the recommendation. Neighborly’s Asset module is not yet implemented and will require HOME Monitoring Checklist 6-A and 6-B at set up then 6-C and 6-D on an annual basis with automated reminders for staff and property managers. Full implementation of this module will be ready during the FY25 monitoring cycle which will begin in April.  
**Responsible Party:** Jeff Morin, Housing Program Manager  
**Implementation Date:** April 30, 2025

**STATUS AS OF April 24, 2025**

In Progress

**STATUS AS OF August 28, 2025**

Implemented

**RECOMMENDATION 2.2**

If possible, utilize the Neighborly software to notify ECD staff that the loan has been fully paid and the lien needs released.


**MANAGEMENT RESPONSE**

We concur with reservations. Management is in agreement with the recommendation, but there are circumstances that could affect its implementation which have to be resolved. Staff is not sure if this functionality can be implemented in Neighborly but will be exploring the possibility with the software team. If it is possible to implement, it will be done.





# Looking Forward

Audit Titles	Status as of January 1, 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



**We ask City Council  
Accept the Fiscal Year  
2025 Audit Committee  
Report.**





[FayettevilleNC.gov](http://FayettevilleNC.gov)