



ANNUAL REPORT FY 2025

CHARLOTTE-MECKLENBURG
GOVERNMENT CENTER
CENTRO DE GOBIERNO
600

600
EAST 4TH STREET

Message from the City Auditor

Greetings from Internal Audit! Following is our FY2025 Annual Report. This report highlights the audit reports issued in FY25 as well as other initiatives and key information. We have made recommendations that highlight opportunities for risk reduction, improved effectiveness, efficiency, and compliance while also promoting cost savings, transparency, and equity.

In FY2025, we continued to focus on the projects that addressed identified risks within City Council's strategic priorities. Our team has been working proactively to identify areas for improvement and to recommend effective solutions.

Internal Audit is in a unique position to witness our organization's commitment to Exceptional Service Every Day! As you review this report, we hope you will see the dedication and hard work that went into each audit. We are proud of the progress we have made and are excited about the opportunities that lie ahead. Thank you for your continued support and collaboration.

A handwritten signature in black ink, appearing to read 'Tina Adams', followed by a long horizontal line.

Tina Adams, CPA, CIA
City Auditor

Audit Reports Issued in FY2025



25.01: CMPD Recruiting

While CMPD has made significant strides to increase their police force, changes to their internal policies and procedures can further bolster these efforts.



25.02: Vision Zero

CDOT needs to establish an adequate control structure to meet its Vision Zero Program goals.



25.03: Small Tools

The internal controls implemented by the Aviation, Charlotte Water, Fire and CDOT (Street Maintenance and Engineering & Operations division) departments are adequate to monitor small tools.



25.04: Cyber Program Assessment

Performed a cybersecurity program maturity assessment based on the NIST CSF framework.
(*confidential*)



25.05: Aviation Off-Site Parking

Off-site parking operators are not consistently complying with Commercial Vehicle Permit agreements. Internal verification and monitoring controls are needed to validate revenue accuracy and help ensure timely payments and reports.



25.06: CLTWater Design-Build Follow-up

Charlotte Water's design-build pay application reviews are adequate. Negotiations and contract language have not promoted cost containment, indicating a need for enhanced proficiency in these areas.



25.07: Vice Imprest Fund

CMPD's Vice Imprest Fund controls are well designed and working effectively.



25.08: CFD Revenue

The Fire Department can improve revenue management by replacing obsolete software and implementing stronger financial controls.



25.09: Contract Pricing Review

Controls governing the purchases of goods and services are adequately designed; contract terms and controls need to be strengthened to minimize discrepancies between invoicing and contract pricing.



25.10: Safety & Health Program

Departments have generally implemented Safety and Health Program best practices; incorporating additional information/communication and monitoring controls would ensure citywide consistency in meeting objectives.

As defined on the [City's website](#), "The strategic priorities serve to set a focus on the higher-level policy framework to guide the city's steady progress." Our audits touch on various priorities as identified by Council.

Council Strategic Priority Areas

Well-Managed Government

- 25-03 Small Tools
- 25-04 Cyber Program Assessment
- 25-05 Aviation Off-Site Parking
- 25-06 CLTWater Design-Build Follow-up
- 25-08 CFD Revenue
- 25-09 Contract Pricing Review
- 25-10 Safety & Health Program

Workforce & Business Development

Great Neighborhoods

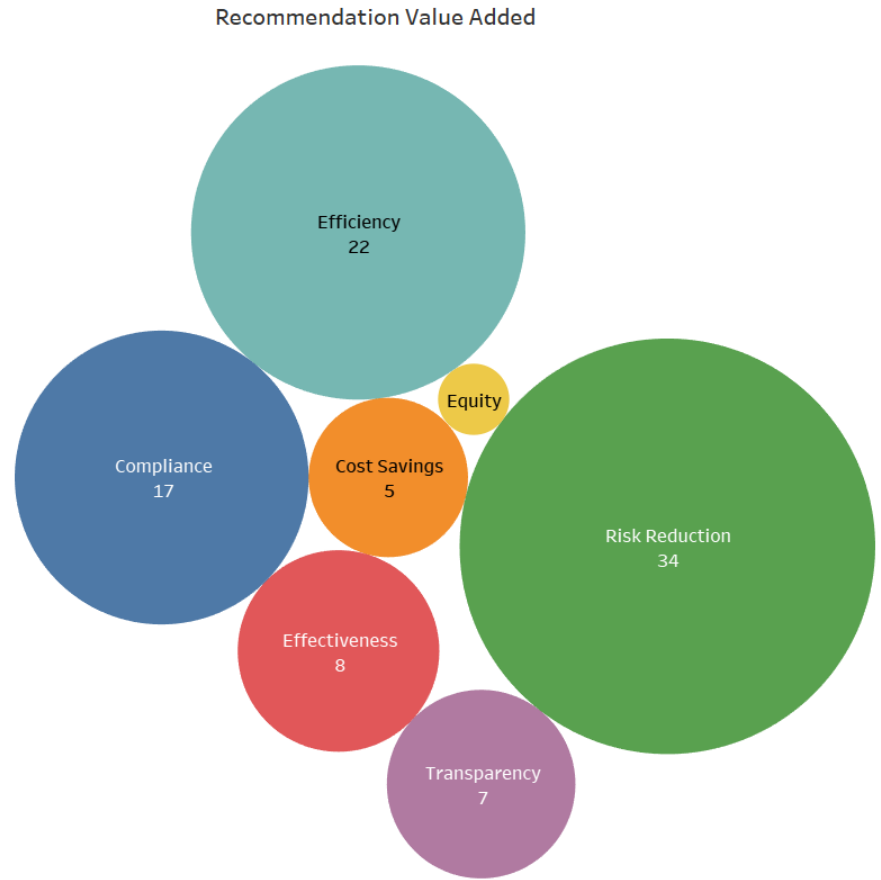
Transportation & Planning

Safe Communities

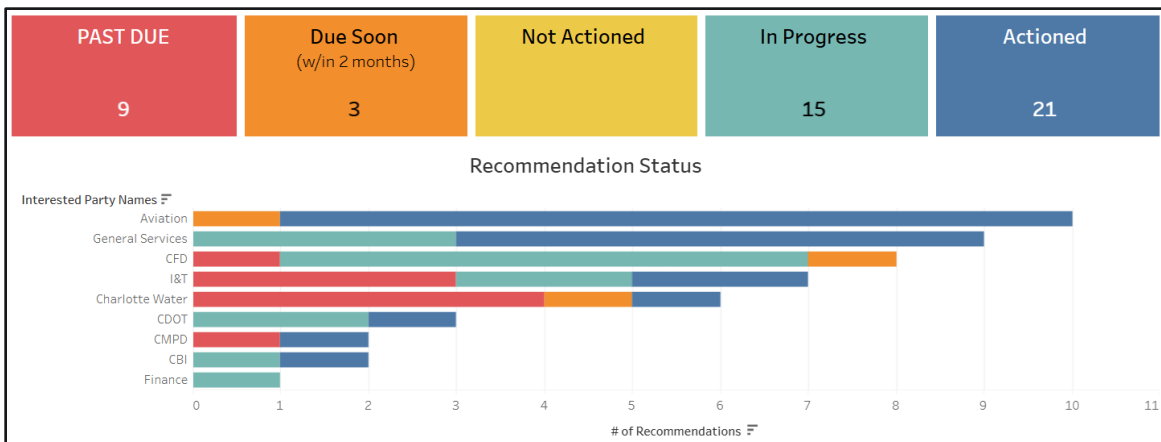
- 25-01 CMPD Recruiting
- 25-02 Vision Zero
- 25-07 Vice Imprest Fund CY 2024

What's in it for the City?

We make recommendations to address findings noted during audits. In FY25, we made recommendations focused on improving controls, with the largest percentage related to risk reduction and efficiency.



Internal Audit works with departments to establish agreed-upon due dates by which the department will implement recommendations. The current status of recommendation implementation is tracked via an interactive [dashboard](#). Below is a screenshot of the summary section of the dashboard. We follow up on open recommendations until they are resolved.



Audit Hotline

The [Charlotte Employee Hotline](#) promotes a culture of honesty, integrity, and accountability in the workplace. This third-party service offers employees a secure and confidential way to report concerns such as improper or dishonest conduct, illegal acts, safety concerns and misuse of public funds. Reports can be submitted anonymously or with the option to include contact information. Below is a summary of the types of reports received and how they were addressed.

FY2025 Hotline Reports					
Types of Calls	Referred to HR	IA Reviewed		Caller Terminated	Totals
		Allegations Unsubstantiated	Allegations Substantiated		
Employee Relations	7				7
Substance Abuse	1				1
Policy Violation	1				1
Theft of Time			1		1
	9		1		10

Upon receipt of a report, Internal Audit determines next steps. As the table shows, 90% of reports were referred to the Human Resources department.

Accomplishments

CLOSED AUDIT RECOMMENDATIONS

We are happy to report that departments are implementing recommendations made. As part of the reporting process, departments set due dates for agreed-to recommendations. These are tracked by the FY each report was issued in, not when a recommendation was closed. Please note, the recommendations marked “Closed” in the chart below include those “Actioned” by departments but not yet verified by Internal Audit.

Report Issuance FY	Recommendations Made	Recommendations Closed	% Closed
2025	48	23	48%
2024	22	21	95%
2023	29	28	97%
2022	48	48	100%

An interactive [dashboard](#) is available to view closed recommendations.

Significant impacts from implemented recommendations include:



Enhanced Police
Recruitment &
Inclusivity



Clearer Road
Safety Data for
Decision Making



Improved
Citywide Contract
Compliance &
Management



Strengthened
CFD's Revenue
Management
Process

STAFF CONTRIBUTIONS TO THE AUDIT PROFESSION

Members of our team continue to contribute to the internal audit profession in meaningful ways. These efforts not only support staff development and professional growth, but also enhance the quality and impact of our audit work. We remain actively engaged with both the Association of Local Government Auditors (ALGA) and the Institute of Internal Auditors (IIA).

In FY 25, our staff shared insights on how we're incorporating generative AI into our audit processes during a program hosted by the City and County of San Francisco. Additionally, one of our team members presented at the Southwest/Southeastern Intergovernmental Audit Forums' Summer Webinar, offering practical perspectives on the intersection of AI and fraud.

OTHER STAFF HIGHLIGHTS

- ✓ Lead Senior Auditor Lynette Stover was our department's WorkSmart Business Readiness Team Rockstar.
- ✓ City Auditor Tina Adams was named President of the Southern Piedmont Chapter of the National Forum for Black Public Administrators (NFBPA) - a testament to her leadership in public service.
- ✓ We also proudly hosted our first Mayor's Youth Employment Program (MYEP) Intern, marking an exciting step in our commitment to mentoring the next generation of public sector professionals.

AUDIT TEAM MEMBERS

Tina Adams, CPA, CIA	Director
Craig Terrell, CPA, CISA	Deputy Director
Marie Marsicano	Audit Supervisor
Will Pellisero, CPA, CIA, CISA	Audit Supervisor
Lynette Stover	Lead Senior Auditor
Danny Nuccio, CPA, CFE	Senior Auditor
DeRhonda Perkins, CIA	Senior Auditor
Charisse Chavez	Senior Auditor
Chris Douglas	Staff Auditor